

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 12.30 PM on 21/10/2016

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

1. Shri R.P. Meena, Joint DGFT, Jaipur.
2. Shri R.C. Saini, Asstt. Commissioner, Central Excise, Jaipur-I.
3. Shri P.R. Sharma, Dy. Director, DIC, Jaipur
4. Shri Dinesh Pahadia, Addl. General Manager, RIICO, Jaipur
5. Shri Sanjay Jain, CFO, Mahindra World City (Jaipur) Ltd.(Developer).

2. Besides, during the meeting i) Shri Prakash Chand Upadhyay, ADC, & ii) 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 29/08/2016 was received from any of the members of the Committee or Trade and therefore, Minutes of the meeting held on 29/08/2016 were ratified.

Item wise decisions on proposals included in agenda:

2. Proposal of M/s. Infosys Ltd., SEZ Unit for extension in the validity period for sharing of the premises with M/s. Infosys BPO Ltd., another SEZ Unit in Mahindra World City (Jaipur) Ltd. IT/ITES SEZ, Jaipur.

It was brought to the notice of the Approval Committee that M/s. Infosys Ltd. had submitted proposal for extension in the validity period of sharing permission of 4th floor, Building No.1, Plot No. IT-A001-A1 Mahindra World City (Jaipur) Ltd. IT/ITES SEZ, Jaipur with its sister concern M/s. Infosys BPO Ltd. for further period of three months. It was informed that the unit has stated that the construction of new Infosys Building has been completed and they have already started the movement of Manpower & Assets to new Infosys Building and they have already vacated the 3rd floor of IBPO Building.



Shri Puneet Mundhra, Manager-Finance appeared before the Approval Committee on behalf of the unit. He informed that due to pre-occupation of one of its prestigious client M/s. Experian UK Ltd. they anticipate to take some more time for movement of activities from 4th floor (IBPO Building) to new Infosys Building. He requested to extend the sharing permission of 4th floor for a further period of 3 months.

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

3. Proposal of the M/s. Infosys BPO Ltd., co-developer for allotment of space to M/s. ICICI Bank Ltd. to setup & operate 'Dedicated Captive Bank Branch' in the processing area of IT/ITES SEZ of M/s. Mahindra World City (Jaipur) Ltd. at Jaipur (Rajasthan).

It was brought to the notice of the Approval Committee that M/s. Infosys BPO Ltd., Co-developer had submitted proposal for allotment of space admeasuring 1110 Sqft. at food court building in the processing area of IT/ITES SEZ of M/s. Mahindra World City (Jaipur) Ltd., Jaipur to M/s. ICICI Bank Ltd to set up & operate 'Dedicated Captive Bank Branch' for use by the employees of SEZ & units therein.

It was informed that following documents are required to be submitted which had been communicated to the co-developer:-

1. Letter for provisional offer of allotment of space issued to M/s. ICICI Bank Ltd.
2. An undertaking from ICICI Bank Ltd. to the effect that M/s. ICICI Bank Ltd. shall not take any direct/indirect tax benefit under SEZ scheme. ICICI Bank Ltd. shall maintain proper record of the goods purchased / sold or service provided as per relevant provisions of revenue Deptt. of State and / or Central Govt., as case may be. They will obtain prior approval from RBI for setup & operation Bank Branch in SEZ.
3. Copy of Board Resolution of ICICI Bank Ltd. regarding authority to sign documents.

It was further informed that In terms of Rule 11(5) of the SEZ Rules, 2006, the developer may, with the prior approval of UAC, grant land or built up space on lease basis, for creating facilities such as canteen, public telephone booths, first aid centres, creche and such other facilities as may be required for the exclusive use of the Unit. Further, 'Space for Bank/ATMs' is listed as a default authorized operation in Instruction No.50 dated 15.03.2010 issued by Deptt. of Commerce.

Shri Puneet Mundhra, Manager-Finance appeared before the Approval Committee on behalf of the Co-developer and explained the proposal. He informed that Mahindra World City SEZ is located on the outskirts of Jaipur city and the nearest ICICI Bank branch is at least 10-12 km away. Since most of their employees having their salary account with ICICI Bank it creates a lot of hardship as they are unable to do any banking transaction during working hours. He further informed



that they have submitted Undertaking from ICICI Bank Ltd. & copy of Board Resolution regarding authority to sign documents on behalf of ICICI Bank Ltd., through email on 20.10.2016.

After due deliberations, the Approval Committee **approved** allotment of built-up space admeasuring 1110 Sqft. at food court building in the processing area of IT/ITES SEZ of M/s. Mahindra World City (Jaipur) Ltd., Jaipur to M/s. ICICI Bank Ltd to set up & operate 'Dedicated Captive Bank Branch', subject to the condition that no tax/ duty benefits shall be available to M/s. ICICI Bank Ltd. to setup, operate & maintain such facility in the processing area of the SEZ and this facility shall be used exclusively by the employees of SEZ & units therein. The Approval Committee directed to issue permission on receipt of provisional offer of space issued by Co-developer to M/s. ICICI Bank Ltd.

4. **M/s. Systweak Software, a unit in IT/ITES SEZ of M/s. Mahindra World City (Jaipur) Ltd. at Jaipur (Rajasthan) – Withdrawal of proposal for slump sale in favour of M/s. The Phone Support Pvt. Ltd.**

It was informed that Approval Committee in its meeting held on 22.04.2016 had approved the proposal for slump sale of M/s. Systweak Software in favour of M/s. The Phone Support Pvt. Ltd., as per guidelines issued by the Board of Approval in its 69th meeting held on 23.02.2016, subject to the condition that all the assets & liabilities of M/s. Systweak Software shall be taken over by M/s. The Phone Support Pvt. Ltd. and revised Bond-Cum-LUT shall be executed by M/s. The Phone Support Pvt. Ltd.

It was informed that the applicants had been requested to submit a copy of agreement between M/s Systweak Software and M/s The Phone Support Pvt. Ltd on slump sale. However, despite repeated reminders they could not produce copy of agreement between M/s. Systweak Software & M/s. Phone Support Pvt. Ltd. regarding slump sale. Due to this, the approval of the Approval Committee for slump sale could not be conveyed.

It was further informed that M/s. Systweak Software & M/s. Phone Support Pvt. Ltd. vide their letters dated 30.08.2016 submitted that their proposal dated 02.11.2015 for slump sale of SEZ unit of M/s. Systweak Software to M/s. The Phone Support Pvt. Ltd. may be allowed to be withdrawn due to change in business environment.

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

After due deliberations, the Approval Committee **took note** of the request of the unit for withdrawal of the proposal of slump sale.



5. 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 Approval Committee in its meeting held on 22.04.2016 had decided to adjudicate the Show Cause Notice on 06.08.2015 issued to M/s. Systweak Software and regularize the imports made by the unit subject to deposit of penalty of Rs. 50,000/- in terms of section 11(4) of FT(D&R) Act, 1992 and a written explanation on variation in export figures along with Audited Balance sheet of the company. It was informed that as per decision of the Approval Committee, the unit had submitted Demand Draft for Rs.50,000/-. It was further informed that the clarification on variation in export figures submitted by the unit had been examined by the CA firm and CA firm has sought some information/documents from the unit.

It was further informed that keeping in view the decision of Approval Committee for regularization of imports/increased amount of forex outgo, unit had submitted its revised projections for the current block of five years, as given below, for approval :-

Rs. (in Lacs)

Particulars (for five years)	Existing Projection	Revised Projection
Projected FOB value of exports	2600.00	93473.58
Foreign Exchange Outgo	220.00	57480.18
NFE	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, however, informed that projected additional value of imported Raw Material, Consumables, Components etc. is not given correctly in prescribed format which needs to be corrected.

Shri Shrishail Rana, Proprietor of M/s. Systweak Software appeared before the Approval Committee and explained the proposal. During the meeting he handed over revised projection sheet in prescribed format.

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 information/documents as called by CA firm.



6. 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 M/s. Ratan Textiles 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
Table Cover, Cushion Cover, Pillow Cover, Quilts, Napkin	<p>(i). <u>All types of Handicrafts of metal item, wooden items, Bone Item, Stone items:</u> Toys, Statues, Clocks, Paintings, Wall Panels, Accessories.</p> <p>(ii). <u>Other handicraft items</u> : Candles, Wax items, Terracotta items Ceramic Items, Handmade painting, incense sticks, Oil diffusers, Handicraft lights & Lamps, Handmade platters, Handmade photo frames etc.</p> <p>(iii). <u>Handmade Paper Products</u> : 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.</p> <p>(iv). <u>All types to the printed and hand stitched fabrics, home furnishing, yardages, made-ups etc. like</u></p> <p>a). <u>Bed Linen:</u> 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.</p> <p>b). <u>Table Linen:</u> Table Covers, Table cloths, Mats, Napkins, Runner, Coasters, Storage Bags and storage covers, Baskets etc.</p> <p>c). <u>Kitchen Linen:</u> 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.</p> <p>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.</p>

It was informed that following documents / information are required to be submitted by unit and had been communicated to it:-

1. The unit had been requested vide this office email dated 15.09.2015 to submit self-certified copy of first Shipping bill in order to ascertain DCP/ validity of LOA. However the same is still awaited.
2. Rectified APRs since inception upto 2014-15 as per observation of CA firm required to be submitted. The unit has also not submitted APR for the year 2015-16.
3. 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.
4. Manufacturing process flow-chart along with ITC (HS) Code of the proposed items required to be submitted.
5. Unit may also be requested to re-check spelling of proposed items in 'Bed-Linen' category.
6. Some of the proposed items do not seem to be covered / related to the handicraft items such as 'Mattress, Mattress Covers, Pyjama Sets, Blankets etc.'.

Shri Sumeet Jain, CEO & Shri Harish Makhija, EM appeared before the Approval Committee and explained the proposal.

After due deliberations, the Approval Committee approved the additional items of manufacture proposed at Sl. No. (i), (ii) & (iii) above subject to submission of i). revised export / NFE projections requirement of additional capital goods / raw material, employment details in the format prescribed by DOC. As regards additional item of manufacture proposed at Sl. No. (iv) above, the Approval Committee directed the representatives of the unit to submit i). detailed write-up, ii) manufacturing process flow-chart & iii). ITC(HS) Code for the same for further consideration. The Committee also directed the representative of the unit to submit rectified APRs since inception upto 2014-15 as per observation of CA firm along with APR for the year 2015-16 and copy of first Customs assessed shipping bill. The Approval Committee also directed the Specified Officer to visit the unit's premises and submit detailed report on the operations carried out by the unit.

Meeting ended with a vote of thanks to the Chair.



(S. S. Shukla)

Joint Development Commissioner



(Dr. L.B. Singhal)
Development Commissioner