

Government of India
Ministry of Commerce & Industry
Department of Commerce
Office of the Development Commissioner
Indore Special Economic Zone
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F. No. A-64/ISEZ/UAC-Crystal IT/2011-12/2224

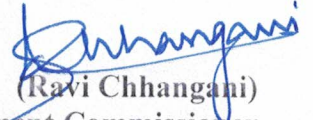
Dated: 13.03.2020

OFFICE MEMORANDUM

Sub: Fourth Meeting (2019-20 series) of the Approval Committee for Crystal IT Park SEZ held on 11.03.2020 - Reg.

The undersigned is directed to forward the minutes of the Fourth Meeting (2019-20 series) of the Approval Committee, Crystal IT Park SEZ held on 11.03.2020, duly authenticated, for your kind perusal and further action to implement the decisions of the Approval Committee.

Encl: As above


(Ravi Chhangani)
Asstt. Development Commissioner
For Development Commissioner

To:

1. The Managing Director, MPIDC Ltd., Cedmap Bhawan, 16-A, Jail Road, Arera Hills Bhopal (**Member representing Govt. of Madhya Pradesh**).
2. The Managing Director, Madhya Pradesh State Electronics Development Corporation Ltd., State IT Centre, 47-A, Arera Hills, Bhopal (**Member representing Govt. of Madhya Pradesh**).
3. The Commissioner, Customs, Office of the Commissioner of Customs, Manik Bagh Palace, Indore (**Member representing Deptt. of Revenue, Govt. of India**).
4. The Commissioner of Income Tax (CIT-I), Office of the Chief Commissioner of Income Tax, Aayakar Bhawan Annexe, Opp. White Church, Indore-I (**Member representing Deptt. of Revenue, Govt. of India**).
5. The Addl. Director General of Foreign Trade, Nirman Sadan, Arera Hills, Hoshangabad Road, Bhopal (**Member**).
6. The Executive Director, MPIDC Regional Office, 1st Floor, Atulya IT Park, Near Crystal IT Park, Khandwa Road, Indore or his representative (**Special Invitee**).
7. The Dy. Secretary to the Govt. of India, Ministry of Commerce & Industry, Deptt. of Commerce, SEZ, Udyog Bhawan, New Delhi (**Member**).
8. The Dy. Secretary (IF-I), Ministry of Finance, Department of Financial Services, Jeevan Deep Building, Parliament Street, New Delhi (**Member**).
9. The Specified Officer, Crystal IT Park SEZ (**Special Invitee**).

INDORE SPECIAL ECONOMIC ZONE

Minutes of the Approval Committee for Crystal IT Park SEZ

Meeting No. 04 (2019- 20 series) held on 11.03.2020.

The meeting of the Approval Committee constituted by the Govt. of India vide notification dated 26.07.2007 was held at 12:00 noon on 11.03.2020 in the Office of the Development Commissioner, Indore SEZ, Indore. Dr. S.K. Bansal, Development Commissioner, Indore SEZ, chaired the meeting. Shri Amit Kumar Soni, Dy. Commissioner, Income Tax, Indore (representing the Commissioner, Income Tax, Indore), Shri Shreedhar Ghanekar, Asstt. Commissioner, Customs, Indore (representing the Commissioner, Customs, Indore), Shri Chandra Kant M. Ram, Asstt. DGFT, Indore (representing the Addl. Director General of Foreign Trade, Bhopal), Shri Dwarkesh Saraf, General Manager, MPSEDC Ltd., Indore (representing Managing Director, Madhya Pradesh State Electronics Development Corporation Ltd., Bhopal) and and Shri Anil Arora, Chief General Manager, MPIDC Ltd. (representing the Executive Director, MPIDC Ltd., Regional Office, Indore – Developer & Special Invitee) participated in the meeting.

2. Shri Ravi Shankar, Specified Officer (Customs), Crystal IT Park SEZ assisted the Committee in its deliberations. Shri Ravi Chhangani, ADC (Projects) presented the proposals before the Committee.

The following proposals were placed before the Approval Committee:

Main Agenda:

- A. Ratification of the minutes of the Third Meeting of 2019-20 series.**
- B. Proposal received from/concerning existing unit(s):-**
 1. M/s Hiteshi Infotech Pvt. Ltd. (Unit-II), STP-1 Building, 7th Floor, Right Hand Side, Crystal IT Park, Khandwa Road, Indore.
 2. M/s Yash Technologies Pvt. Ltd., 201-205, Banshi Trade Center, 581/5, M.G. Road, Indore – 452 001.
 3. M/s Yash Consulting Pvt. Ltd., 101, Banshi Trade Center, 581/5, M.G. Road, Indore – 452 001.
- C. Monitoring of APRs – Monitoring of performance of the units (APR) for the period 2018-19 in terms of Rule 54 of SEZ Rules, 2006 in case of units which have completed one year or more of operations – List of units as per Agenda.**
- D. Any other proposal, if received.**

Proposal wise decisions taken are as under: -

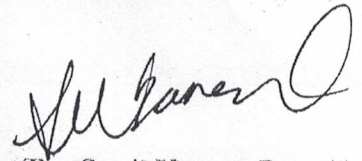
- A. Ratification of the minutes of the Third Meeting** – It was informed that no reference suggesting amendment in the decisions of the Approval Committee Meeting held on 06.01.2020 was received and hence, the Minutes of the Second Meeting (2019-20 series) were ratified.
- B. Proposal received from/concerning existing unit(s):-**
- 1. M/s Hiteshi Infotech Pvt. Ltd. (Unit-II) - Request for extension of validity of Letter of Approval dated 18.01.2019 for a further period of four months beyond 17.01.2020 – Approved.** The Committee deliberated in detail on the contents of the Agenda. The Committee was informed that the unit was granted LoA dated 18.01.2019 for Software Services having original validity up to 17.01.2020. The unit has requested for extension of the validity of LoA for a further period of four months beyond expiry of original validity on 17.01.2020 i.e. up to 15.05.2020 so as to implement the project and commence operations. The Committee was further informed that as per the 2nd proviso of Rule 18(2)(ii) of SEZ Rules 2006, a copy of registered lease deed shall be furnished to the DC concerned within six months from issuance of LoA and failure to do so, the Approval Committee may take action to withdraw the LoA after giving an opportunity of being heard. In the instant case, the requisite lease deed / license agreement was registered after 08 months and 16 days of issuance of LoA that is a delay of around two and half months more has occurred in the execution of lease deed. The unit was represented by Shri Manoj Miirchandani, CEO, who informed that the delay was mainly due to the procedural formalities between the unit and the Developer, and now they have already submitted the bank guarantee of Rs. 35,40,000/- and advance rent amount of Rs. 2,94,660/- to the Developer and registered the lease deed. The representative stated that due to lack of awareness on their part regarding the Rule provisions for lease deed submission within the six months, and some communication gap, the above was a bonafide mistake at their end. He further informed that the unit has already invested an amount of Rs. 91.71 lacs on procurement of office interiors and machinery and the rent for the premises has effectively also started from 01.12.2019 and as on date the total amount of rent paid is Rs. 11,63,980. Accordingly, considering the submissions made by the unit, after deliberations, the Committee decided to regularize the time period for submission of lease deed and extended the validity of LoA for a further period of four months i.e. up to 15.05.2020, as requested by the unit.
 - 2. M/s Yash Technologies Pvt. Ltd. (Unit - II) - Request for approval of default list of Specified services required for authorized operations of the unit located at Ground Floor, Building No. 1, Crystal IT Park SEZ, Indore, as per Instruction No. 79 and 94 of the DoC – Approved.** The Committee deliberated in detail on the contents of the Agenda. The Committee noted that the unit has submitted a request for approval of default list of specified services in terms of Circular No. D.12/19/2013-SEZ dated 02.01.2018 read with Instruction No. 79 dated 19.11.2013 and 94 dated 08.05.2019 of the Department of Commerce (DoC), which requires that the list of specified services required for authorized operations be approved by the UAC of the SEZ for availing various exemptions. The unit has accordingly submitted a list of 67 specified services

required for the authorized operations along with justification with reference to each of the services for its unit located at Ground Floor, Building No. 1, Crystal IT Park SEZ, Indore. The Committee was informed that as per the DoC letter No. D.12/19/2013-SEZ dated 02.01.2018 all the UACs may permit the 66 services approved by the DoC, as the default authorized services in their respective zones. It is also clarified that consequent to implementation of GST Act, some State Govt. are not extending the benefits of IGST for default services and since SEZs are exempted from IGST on the default services, the BoA in its 80th meeting held on 17.11.2017 has approved the reiteration of the default authorized services/operations, as approved earlier. It was also informed to the Committee that the DoC had subsequently issued Instruction No. 94 dated 08.05.2019 vide which the list of default services was further expanded by adding one more service, making the list of default services as 67. The Committee noted that all the services mentioned in the list submitted by the unit are also appearing in the default list of the DoC. In view of the same, after deliberations, the Committee decided to approve the default list of 67 services submitted by the unit.

3. **M/s Yash Consulting Pvt. Ltd. - Request for approval of default list of Specified services required for authorized operations of the unit located at STP-1, Ground Floor, Crystal IT Park SEZ, Indore, as per Instruction No. 79 and 94 of the DoC – Approved.** The Committee deliberated in detail on the contents of the Agenda. The Committee noted that the unit has submitted a request for approval of default list of specified services in terms of Circular No. D.12/19/2013-SEZ dated 02.01.2018 read with Instruction No. 79 dated 19.11.2013 and 94 dated 08.05.2019 of the Department of Commerce (DoC), which requires that the list of specified services required for authorized operations be approved by the UAC of the SEZ for availing various exemptions. The unit has accordingly submitted a list of 67 specified services required for the authorized operations along with justification with reference to each of the services for its unit located at STP-1, Ground Floor, Crystal IT Park SEZ, Indore. The Committee was informed that as per the DoC letter No. D.12/19/2013-SEZ dated 02.01.2018 all the UACs may permit the 66 services approved by the DoC, as the default authorized services in their respective zones. It is also clarified that consequent to implementation of GST Act, some State Govt. are not extending the benefits of IGST for default services and since SEZs are exempted from IGST on the default services, the BoA in its 80th meeting held on 17.11.2017 has approved the reiteration of the default authorized services/operations, as approved earlier. It was also informed to the Committee that the DoC had subsequently issued Instruction No. 94 dated 08.05.2019 vide which the list of default services was further expanded by adding one more service, making the list of default services as 67. The Committee noted that all the services mentioned in the list submitted by the unit are also appearing in the default list of the DoC. In view of the same, after deliberations, the Committee decided to approve the default list of 67 services submitted by the unit.
- C. **Monitoring of APRs – Monitoring of performance of the units (APR) for the period 2018-19 in terms of Rule 54 of SEZ Rules, 2006 in case of units which have completed one year or more of operations – Deferred.** The Committee noted that the Annual Performance Reports (APRs) of 10 units have been placed for the purpose of monitoring. The Committee was informed that in terms of the provisions of Rule 22(3) of

SEZ Rules, 2006, SEZ units are required to submit the APRs in prescribed format which are required to be placed before the Approval Committee for consideration. The Committee was further informed that as per the provisions of Rule 54 of SEZ Rules, 2006, the performance of the unit(s) shall be monitored by the Approval Committee as per prescribed guidelines appended to the rules. Having regard to the laid down provisions, the Approval Committee decided that more detailed reports may be prepared as per the prescribed guidelines. Accordingly, after deliberations, the Committee decided to defer the monitoring and opined that detailed reports in terms of the guidelines may be called from the Specified Officer for each of the units for the number of years it has completed in a particular block up to 2018-19.

D. Any other proposal, if received – Nil.



**(Dr. Sunil Kumar Bansal)
Development Commissioner**