

**SEEPZ SPECIAL ECONOMIC ZONE
ANDHERI (EAST), MUMBAI.**

.....

AGENDA FOR

**MEETING OF THE APPROVAL COMMITTEE FOR
SECTOR SPECIFIC SPECIAL ECONOMIC ZONE FOR
IT/ITES AT PUNE OF M/S. QUADRON BUSINESS PARK
PVT. LTD.-SEZ**

Via Video Conferencing

DATE : 10.08.2023

TIME : 12.30 P.M.

**MEETING OF THE APPROVAL COMMITTEE FOR SECTOR
SPECIFIC SPECIAL ECONOMIC ZONE FOR IT/ITES AT PUNE,
UNDER THE CHAIRMANSHIP OF DEVELOPMENT
COMMISSIONER, SEEPZ-SEZ ON 10.08.2023**

INDEX

Agenda Item No.	Subject
Agenda Item No. 01: -	Confirmation of the Minutes of the meeting held on 27.06.2023
Agenda Item No. 02: -	Monitoring of Performance M/s. Cognizant Technology Solutions India Pvt Ltd

I/2315/2023

1

Minutes of the 86 th Meeting of the Approval Committee held under the Chairmanship of Development Commissioner SEEPZ-SEZ for Sector Specific Special Economic Zone for IT-ITES of M/s. Quadron Business Park Pvt. Ltd.-SEZ, Hinjewadi Phase-II, Pune, held on 27.06.2023 via video conference.		
1	Name of the SEZ	M/s. Quadron Business Park Pvt. Ltd.-SEZ, Pune
2	Sector	IT-ITES
3	Meeting No.	86 th
4	Date	27.06.2023

Members present

Sr	Name and Designation (S/Shri.)	Department
1	Smt. Mital Hiremath Joint Development Commissioner	Pune Cluster SEZ, Pune
2	Smt. Pradnya R. Gholap, DCIT (TDS) Pune	Nominee of Income Tax, Pune
3	Dr. Dileeraj Dabhole Dy. DGFT	Nominee of DGFT, Pune
4	Smt. Sunita Jagtap, Superintendent	Nominee of Customs, Pune

Special Invitee

Sr	Name and Designation	Department
1	Shri B. Ajay Kumar Specified Officer	M/s. Quadron Business Park Pvt. Ltd.-SEZ

Agenda Item No.01: Confirmation of Minutes of the 85th meeting held on 30.05.2023

The Committee, after deliberation confirmed the minutes of the 85th meeting of the Approval Committee meeting held on 30.05.2023.

Agenda Item No.02: Application for Approval of list of material submitted by M/s. Quadron Business Park Pvt. Ltd. (Developer)

After deliberation, Committee approved the list of material in terms of Rule 12(2) of SEZ Rules, list of material submitted by the Developer, duly certified by Chartered Engineer i.e. M L Kendre & Associates (M-117207/1 dated 08.07.01999) having total value of Rs. 72,75,386.20 required for their authorized operations as detailed below:

Sr. No.	List of Materials required for the below mentioned Authorised Operations.	Estimated Value for Goods purchased from DTA (Amt. in Rs.)	Estimated Value for Goods purchased from Import (Amt. in Rs.)	Estimated Total Value of Goods (Amt. in Rs.)
---------	---	---	--	--

I/2315/2023

2

1.	Regular Maintenance – All SEZ Buildings.	Rs. 72,75,386.20	0.00	Rs. 72,75,386.20
	Total	Rs. 72,75,386.20	0.00	Rs. 72,75,386.20

Meeting ended with a vote of thanks to the Chair.

(Shyam Jagannathan, IAS)
Chairman-cum- Development
Commissioner
Email- dcseepz-mah@nic.in

I/2617/2023

GOVT. OF INDIA,
OFFICE OF THE ZONAL DEVELOPMENT COMMISSIONER,
SEEPZ – SEZ (PUNE CLUSTER)

AGENDA NOTE FOR CONSIDERATION OF THE UNIT APPROVAL COMMITTEE

a) **Proposal:**

Monitoring of the performance of **M/s. Cognizant Technology Solutions India Pvt Ltd**, an IT/ITES Enabled Services located at Block No.2, Plot No. 28, Quadron Business Park, Rajiv Gandhi Infotech Park, Mann Village, Tal. Mulshi, Phase-II Hinjewadi, Pune 411 057, for 2ND Block Period and 3RD Block period:

5th years of 2nd Block period i.e. 2017-18

4 years of 3rd Block period i.e.2018-19 to 2021-22 out of 5 years

b) **Specific Issue on which decision of UAC is required:**

Monitoring of the performance of the unit in terms of Rule 54 of SEZ Rules, 2006

5th year of 2nd Block period i.e. 2017-18

4 years of 3rd Block period i.e.2018-19 to 2021-22 out of 5 years

c) **Relevant provisions: -**

As per Rule 54 of SEZ Rules, 2006

“Performance of the Unit shall be monitored by the Approval Committee as per the guidelines given in Annexure appended to these rules”.

2nd Block period

The details of the export projections for 2nd block period, is as detailed below:

(i) **Actual Export/ Approved Projections (Rs In crores)**

	2013-14	2014-15	2015-16	2016-17	2017-18
	Actual	Actual	Actual	Actual	Projected
FOB Value of Exports	805.05	775.27	847.65	657.58	1125.35
FE Outgo	28.34	23.95	25.33	22.64	139.13
NFE	776.71	751.32	822.32	634.94	986.22

I/2617/2023

(I) Performance as compared to projections: FY 2017-18

(Rs. In crores)

Year	Export		F.E. OUTGO				
	Projected	Actual	Raw Material (Goods/Services)		C.G. import		Other outflow
			Project ed	Actual	Projected	Actual	Actual
2017-18	1125.35	381.33	0.00	0.00	112.05	5.49	11.38
Total	1125.35	381.33	0.00	0.00	112.05	5.49	11.38

(II) Cumulative NFE achieved: FY 2017-18

(Rs. in crores)

Year	Cumulative NFE Achieved	Cumulative % NFE Achieved
2017-18	3347.87	96.57%

3rd Block period i.e. FY 2018-19 TO FY 2021-22

The details of the export projections for 3rd block period, is as detailed below:

(ii) Approved Projections

(Rs In crores)

	2018-19	2019-20	2020-21	2021-22	2022-23	TOTAL
FOB Value of Exports	413.10	436.71	448.51	460.32	472.12	2230.76
FE Outgo	49.31	49.67	50.85	51.03	49.21	250.07
NFE	363.79	387.04	397.66	409.29	422.91	1980.69

(III) Performance as compared to projections: FY 2018-19 TO FY 2021-22

(Rs. In crores)

Year	Export		F.E. OUTGO				
	Projected	Actual	Raw Material (Goods/Serv ices)		C.G. import		Other outflow
			Proj ecte d	Actual	Projected	Actual	Actual
2018-19	413.10	431.16	0.00	0.00	112.05	5.24	19.79
2019-20	436.71	426.68		0.00		5.29	10.08
2020-21	448.51	500.14		0.00		1.11	13.75

I/2617/2023

2021-22	460.32	588.21		0.00		0.05	17.85
Total	1758.64	1946.19	0.00		112.05	11.69	61.47

(II) Cumulative NFE achieved: FY 2018-19 TO FY 2021-22

(Rs. In crores)

Year	Cumulative NFE Achieved	Cumulative % NFE Achieved
2018-19	405.63	94.08%
2019-20	816.56	95.19%
2020-21	1298.33	95.61%
2021-22	1864.83	95.82%

(III) Employment Achievement (Direct)

The Unit has achieved employment of 3724 employees (Men-2396, Women-1328,) as on 31.03.2022.

(d) Relevant provisions:

Rule 54 of SEZ Rules, **2006** ***“Performance of the Unit shall be monitored by the Approval Committee as per the guidelines given in Annexure appended to these rules”***

(e) Other Information:

LOA No. & Date	SEEPZ/NEW-SEZ/DLF-PUNE/02/LOA-02/2007-08/1208 dated 21.02.2008.
Location of Unit	Block No.2, Plot NO. 28, Quadron Business Park, Rajiv Gandhi Infotech Park, Mann Village, Tal. Mulshi, Hinjewadi, Pune 411 057
Validity of LOA	31.05.2023
Item(s) of manufacture/ Services	IT/ITES Enabled Services
Date of commencement of production	06.09.2007
Execution of BLUT	01.06.2008
Outstanding Rent dues	NA
Labour Dues	NA
Validity of Lease Agreement	-
Pending CRA Objection, if any	NA

I/2617/2023

Pending Show Cause Notice/ Eviction Order/Recovery Notice/ Recovery Order issued, if any	NA
a) Projected employment for the block period b) No. of employees as on 31.03.2022	3724
Area allotted (in sq.ft.)	366861 Sq. ft
Area available for each employee per sq.ft. basis (area / no. of employees)	9.8498 Sq. ft
Investment till date	Building Plant & Machinery
	NA 127.47
Quantity and value of goods exported under Rule 34 (unutilized goods)	NA
Value Addition during the monitoring period	NA
Whether all the APRs being considered now has been filed well within the time limit, or otherwise. If no, details of the Year along with no of days delayed to be given.	Yes

Vide PUC, the Specified Officer has submitted a report vide letter dated 23.08.2022, in the prescribed format along with point-wise reply to the discrepancies as follows:

(a) Export

Details of year-wise export as per the prescribed format:

From the year 2017-2018 to 2021-2022 (In crores)				
Year/ Period	Figures reported in APR (FOB Value)	Figures as per Softex / Customs Records	Difference , if any	Reason for Difference / Remarks
2017-2018	381.33	383.47	2.15	Exchange variation and credit note adjustment
2018-2019	431.16	437.78	6.62	Exchange variation and credit note adjustment
2019-2020	426.68	435.31	8.63	Exchange variation and credit note adjustment

I/2617/2023

2020-2021	500.14	512.44	12.3	Exchange variation and credit note adjustment
2021-2022	588.21	588.55	0.34	Exchange variation and credit note adjustment

(b) Import

- (i) (Capital Goods including procurement done on IUT (from SEZ, EOU, STPI, EHTP) basis:

From the year 2017-2018 to 2021-2022 (in crores)

Year/ Period	Figures as per Revised APR	Figures as per SEZ Online / Customs Records	Difference, if any	Reason for Difference / Remarks
2017-2018	5.49	5.49	Nil	NA
2018-2019	6.14	6.14	Nil	NA
2019-2020	6.79	6.79	Nil	NA
2020-2021	2.84	2.84	Nil	NA
2021-2022	0.05	0.05	Nil	NA

- (ii) Raw Material: N/A

(c) BLUT

(Rs. In crores)

1	Value of BLUT Executed (Duty foregone) (including for CG / Raw Material / Services) Value of Additional BLUT executed TOTAL Duty value of BLUT Executed in Lakhs:	24.9110 opening balance (2017-18) 17.8016 (unit renewal 2018-19) 41.40 (BLUT for Services 2021-22) 84.1126			
2	Total Duty Foregone on goods & services procured Category Wise: Year Wise				
		F.Y.	Goods		Services
			Import	Indigenous	
		2017-18	1.35	0.62	12.13
		2018-19	1.63	0.54	19.13
		2019-20	1.95	0.69	17.96
		2020-21	0.62	0.63	10.39
		2021-22	0.01	0.15	8.29
		Total	5.57	2.62	67.93
3	Has the Unit procured goods and or services without having sufficient balance in their BLUT.	No			

I/2617/2023

If yes, Month & Year when the BLUT was exhausted Details of the consignments and Total value of Goods procured without having sufficient or nil balance in BLUT	
---	--

(d)	Employment made as on date (as on end of block period / year up to which monitoring is being done)	As on 31st March, 2022: Man: 2396 Woman: 1328 Total: 3724														
(e)	Details of pending Foreign Remittance beyond Permissible period, if any (as on 31.03.2022) To cross-check the same and verify whether necessary permission from AD Bank / RBI has been obtained.	As per unit there is no pending foreign remittance beyond permissible period														
(f)	Whether all softex has been filed for the said period. If no, details thereof. SO to also check whether unit has obtained Softex condonation from DC office / RBI and if approved, whether they have filed such pending Softex.	Yes														
(g)	Whether all Softex has been certified, if so till which month has the same been certified. If not, provide details of the Softex and reasons for pendency.	17 cases are pending for approval. Out of which 07 Softex not showing up on present officers' portal. In case of 09 Softex the deficiency was raised and is pending with unit. 01 Softex not submitted by unit.														
(h)	Whether unit has filed any request for Cancellation of Softex	No														
(i)	Whether any Services provided in DTA / SEZ/EOU/STPI etc. against payment in INR in r/o IT/ITES Unit during the period. If yes, details thereof (year wise details to be provided)	Yes, During the year 2017-2018 to 2021-22, Unit has provided their services in DTA against payment in INR. Below are the details of the same in crores: <table><tr><td>Year</td><td>Amount</td></tr><tr><td>2017-18</td><td>184.60</td></tr><tr><td>2018-19</td><td>102.84</td></tr><tr><td>2019-20</td><td>18.10</td></tr><tr><td>2020-21</td><td>16.15</td></tr><tr><td>2021-22</td><td>25.45</td></tr><tr><td>Total</td><td>347.14</td></tr></table>	Year	Amount	2017-18	184.60	2018-19	102.84	2019-20	18.10	2020-21	16.15	2021-22	25.45	Total	347.14
Year	Amount															
2017-18	184.60															
2018-19	102.84															
2019-20	18.10															
2020-21	16.15															
2021-22	25.45															
Total	347.14															

I/2617/2023

		As the unit has received payment in INR instead of foreign exchange. It is not treated as service as per section 2(z)(iii) of SEZ Act 2005. In this regard SCN may be issued.																					
(k)	<p>Has the unit cleared any Capital Goods procured duty free in DTA against payment of Duty, or otherwise?</p> <p>Full details to be provided along with value of assets and duty discharged</p>	<p>Following are the details of removal of capital goods: (Rs. In crores)</p> <table> <tr> <th>FY</th><th>A.V.</th><th>Duty Payable</th></tr> <tr> <td>2017-18</td><td>-</td><td>-</td></tr> <tr> <td>2018-19</td><td>-</td><td>-</td></tr> <tr> <td>2019-20</td><td>0.14</td><td>0.03</td></tr> <tr> <td>2020-21</td><td>0.18</td><td>0.03</td></tr> <tr> <td>2021-22</td><td>0.26</td><td>0.05</td></tr> <tr> <td>Total</td><td>0.58</td><td>0.11</td></tr> </table>	FY	A.V.	Duty Payable	2017-18	-	-	2018-19	-	-	2019-20	0.14	0.03	2020-21	0.18	0.03	2021-22	0.26	0.05	Total	0.58	0.11
FY	A.V.	Duty Payable																					
2017-18	-	-																					
2018-19	-	-																					
2019-20	0.14	0.03																					
2020-21	0.18	0.03																					
2021-22	0.26	0.05																					
Total	0.58	0.11																					
(l)	<p>Is the unit sharing any of their infrastructures with other units or are utilizing infrastructure of another unit in the same or other SEZ?</p> <p>If so, details thereof, including the details of the unit with whom the sharing is being made, and the payment terms</p> <p>If approval for sharing of common infrastructure has been obtained from UAC / DC office, the date of UAC / Approval letter to be indicated</p>	No																					
(m)	Whether all DSPF for services procured during the said monitoring period under consideration has been filed by the unit and whether the same has been processed for approval by the SO Office.	No, all DSPF are not filed by the unit.																					
(n)	Whether unit has filed all DTA procurement w.r.t. the goods procured by them during the monitoring period for the relevant period. If no, details thereof	Yes																					
(o)	Details of the request IDs pending for OOC in respect of DTA procurement on the date of submission of monitoring report	No Request ID is pending for OOC.																					
(p)	<p>Has the unit set up any cafeteria / canteen / food court in unit premises?</p> <p>If yes, whether permission from UAC / DC office has been issued, or</p>	<p>Yes,</p> <p>The Unit is asked to submit the application for regularization of</p>																					

I/2617/2023

	otherwise office has been issued, or otherwise Whether unit has availed any duty paid goods / services for setting up such facility? If yes, whether unit has discharged such duty / tax benefit availed? details to be given including amount of duty / tax recovered or yet to be recovered	cafeteria.
(q)	Whether any violation of any of the provisions of law has been noticed / observed by the Specified Officer during the period under monitoring	NA

(f) ADC's observations:

- The unit has achieved export of Rs. 381.33 crores against the Projected export of Rs. 1125.32 crores i.e.33.89% in the FY 2017-18 of 2nd Block period. The unit has achieved NFE of Rs. 3347.8753 crores i.e., 96.57% on cumulative basis in the FY 2017-18 i.e., last year of 2nd block period.
- The unit has achieved export of Rs 1946.19 Crores against the Projected Export of Rs. 1758.64 crores i.e., 110.65% in the period of FY 2018-19 to 2021-22 of 3rd Block period. The unit has achieved NFE of Rs. 1864.83 Crores i.e., 95.82% on cumulative basis by the end of the F.Y 2021-22.
- The Unit has achieved employment of 3724 employees (Men-2396, Women-1328,) in 2nd Block period.
- The Unit has not filed DSPF for the services procured during the monitoring period.
- It is observed that the unit has provided services in DTA against the payments received in INR as detailed below:

(Rs. In Crores)	
Year	Amount
2017-18	184.60
2018-19	102.84
2019-20	18.10
2020-21	16.15
2021-22	25.45
Total	347.14

As per Section 2(z) of SEZ Act, 2005, the definition of Services is given as below :

“Services means such tradable services which, -

- (i) Are covered under the General Agreement on Trade in Services annexed as IB to the Agreement establishing the World Trade**

I/2617/2023

Organisation concluded at Martrakesh on the 15th day of April 1994 ;

- (ii) May be prescribed by the Central Government for the purpose of this Act ; and**
- (iii) Earn foreign exchange ;**

- As the unit has been granted LOA for providing IT/ITES Services from their SEZ Unit, and since the services provided by them to DTA against INR does not classify as a 'Service' as per definition as given in Section 2(z) of SEZ Act, 2005, the unit has violated the provisions of the SEZ Acts / Rules.

As per Rule 54(2) of SEZ Rules, 2006

“(2) In Case the Approval Committee comes to the conclusion that a Unit has not achieved positive Net Foreign Exchange Earning, or stipulated Value Addition as specified in rule 53 or failed to abide by any of the term and conditions of the Letter of Approval or Bond-cum-Legal Undertaking, without prejudice to the action that may be taken under any other law for the time being in force, the said Unit shall be liable for penal action under the provisions of the Foreign Trade Development and Regulation) Act, 1992.”

- The Unit has received payment in INR instead of Foreign Currency, hence contravened the provision of Section 2(z)(iii) of SEZ Act, 2005. If agreed by the Approval Committee, SCN may be issued.

Approval Committee may monitor the performance of the Unit, in terms of Rule 54 of SEZ Rules, 2006 for the period of 2 Block periods (5th year of 2nd Block period) and four years of 3rd Block period i.e.

- 5th Year of 2nd Block Period i.e. FY 2017-18
- 4 years of 3rd block period FY 2018-19 to FY 21-22
