

**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. SYNTEL INTERNATIONAL
PVT. LTD. SEZ PUNE.**

DATE : 09.02.2024

TIME : 04:00 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 09.02.2024**

INDEX

Agenda Item No.	Subject
Agenda Item No. 01 :-	Confirmation of the Minutes of the meeting held on 05.12.2023
Agenda Item No. 02 :-	Monitoring of Performance for M/s. Syntel Pvt Ltd-LOA-26 (F.Y 18-19 TO 2022-23).

Minutes of the 47th Meeting of the Approval Committee held under the Chairmanship of Shri R. K.Mishra, Zonal Development Commissioner SEEPZ-SEZ for Sector Specific Special Economic Zone for IT-ITES of M/s. Syntel International Pvt. Ltd., Pune held on 05.12.2023 via video conference.

1	Name of the SEZ	M/s. Syntel International Pvt. Ltd., Pune.
2	Sector	IT-ITES
3	Meeting No.	47 th
4	Date	05.12.2023

Members present

Sr	Name and Designation (S/Shri.)	Department
1	Smt. Mital Hiremath Joint Development Commissioner	Pune Cluster SEZ, Pune
2	Shri. Sandeep Sathe, DCIT-Circle 4, Pune	Nominee of Income Tax, Pune
3	Dr. Dileeraj Dabhole, Deputy DGFT	Nominee of DGFT, Pune
4	Smt. Malathi J. Nair Superintendent	Nominee of Customs, Pune

Special Invitee

Sr	Name and Designation	Department
1	Shri Shambhu Dayal Meena, Specified Officer	SEEPZ-SEZ Pune Cluster

Agenda Item No.01: Confirmation of Minutes of the 46th meeting held on 19.10.2023.

The Committee, after deliberation confirmed the minutes of the 46th meeting of the Approval Committee held on 19.10.2023.

Agenda Item No.02: Monitoring of Performance in r/o M/s State Street Syntel Services Pvt Ltd.

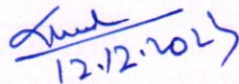
The performance of the unit for 5th year of 2nd block period i.e. FY 2017-18 and first 4 years of 3rd Block period (i.e., FY 2018-19 to 2021-22) was placed before the Committee for Monitoring purpose.

- The Committee observed that the Unit has achieved export revenue of Rs 95.71 crores as against projected export of Rs 32.39 crores i.e. 295.49% and has achieved positive NFE of Rs. 517.13 Crores i.e. 97.64% in the 5th year of FY 2017-18 on cumulative basis at the end of 2nd Block period.

- ii. The Committee observed that the Unit has achieved export revenue of Rs 227.74 crores as against projected export of Rs 191.33 crores i.e. 119.02% and has achieved positive NFE of Rs. 213.17 Crores i.e., 93.60% in the 4th year of 3rd Block period i.e. during FY 2018-19 to 2021-22 on cumulative basis.
- iii. The Unit has also achieved employment of 487 employees (Men-321, Women-166) in 4th year of the 3rd block period as on 31.03.2022 upto which the monitoring has been done.

After deliberation, the Approval committee noted the performance of **M/s Street Syntel Services Pvt Ltd** for the FY 2017-18 of the 5th year of 2nd block period and first 4 years of 3rd Block period, i.e., FY 2018-19 to 2021-22 in terms of Rule 54 of SEZ Rules, 2006.

Meeting ended with a vote of thanks to the Chair.


12.12.2023
(Rajesh Kumar Mishra, IRS)
Chairman-cum- Development
Commissioner

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

AGENDA NOTE FOR CONSIDERATION OF THE APPROVAL COMMITTEE

a. **Proposal:**

Monitoring of the performance of **M/s SYNTEL PVT LTD**, a Computer Software and IT Enabled Services, for 5 years of 3RD block period i.e., FY 2018-19 to 2022-23.

b. **Specific Issue on which decision of Approval Committee is required:**

Monitoring of the performance of the unit FY 2018-19 to 2022-23 of 3RD block period of 5 years, in terms of Rule 54 of SEZ Rules, 2006.

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".

I. Performance as compared to projections: FY 2018-19 to FY 2022-23

i. **Approved Projections**

(Rs In Crores)

	2018-19	2019-20	2020-21	2021-22	2022-23	TOTAL
FOB Value of Exports	26.50	45.47	70.64	89.99	109.35	341.95
FE Outgo	08.51	7.95	7.52	8.11	8.11	39.91
NFE	18.00	37.52	63.12	81.88	101.52	302.04

II. Performance as compared to projections: FY 2018-19 to 2022-23 (Rs In Crores)

Year	Export		F.E. OUTGO				
	Projected	Actual	Raw Material (Goods/Services)		C.G. import		Other outflow
			Projected	Actual	Projected	Actual	
2018-19	26.50	280.80	0.00	0.00	36.82	5.40	43.59
2019-20	45.47	80.28		0.00		1.19	1.08
2020-21	70.64	110.59		0.00		1.26	3.14
2021-22	89.99	129.77		0.00		0.08	0.36
2022-23	109.35	87.78		0.00		3.64	0.01
Total	341.95	689.22	0.00	0.00	36.82	11.57	48.18

III. Cumulative NFE achieved: FY 2018-19 to 2022-23

(Rs. In Crores)

Year	Cumulative NFE Achieved	Cumulative % NFE Achieved
2018-19	235.55	83.89%
2019-20	313.49	86.82%

2020-21	419.67	88.98%
2021-22	547.84	91.09%
2022-23	634.46	92.06%

(V) Employment Achievement (Direct): FY 2018-19 to 2022-23

The Unit has achieved employment of 318 employees (Men-111, Women-207) in 5TH years of the 3rd block period.

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:

Name of the Unit	M/s SYNTEL PVT LTD.
LOA No. & Date	SEZ/PUNE/26/08/2007-08/54 dt. 28.03.2008.
Location of Unit	Block S-1,3 rd Floor, & Block S-2, Plot No. B1/B2, IT Park, Dehu-Alandi Road, MIDC Software Technology Park, Talawade, Pune-412062
Validity of LOA	05.12.2023
Item(s) of manufacture/ Services	Computer Software and IT Enabled Services
Date of commencement of production	06.12.2008
Execution of BLUT	21.80 Crores
Outstanding Rent dues	NA
Labour Dues	NA
Validity of Lease Agreement	-
Pending CRA Objection, if any	NA
Pending Show Cause Notice/ Eviction Order/Recovery Notice/ Recovery Order issued, if any	NA
No. of employees as on 31.03.2022	Male 111, Female -207 Total 318
Area allotted (in sq.ft.)	88450 Sq. Ft

Area available for each employee per sq.ft. basis (area / no. of employees)		278.14 Sq. Ft.
Investment till date	Building	NA
	Plant & Machinery	42.71 Crores
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 had submitted a report vide letter dated 16.01.2024 for the FY 2018-19 to 2022-23, in the prescribed format along with point-wise reply to the discrepancies as follows: -

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

(a) EXPORT

(Rs. in crores)

Year/Period	Figures reported in APR (FOB Value)	Figures as per Softex/Customs Records	Difference if any	Reason for Difference / Remark
FY 2018-19	280.7950	284.2198	-3.4248	Reconciliation sheet submitted by the Unit is as below.
FY 2019-20	80.2767	102.3985	-22.1218	
FY 2020-21	110.5900	114.2235	-3.6335	
FY 2021-22	129.7716	114.2356	15.5360	
FY 2022-23	87.7755	87.9377	-0.1623	

Reconciliation statement (Rs. In Cr.)

Years	As per APR (A)	SOFTEX filed (B)	Diff. [A-B] (C)	(C)			
				Accrual	Onsite	Unit rectification entry & accrual	
FY 2018-19	280.7950	284.2198	-3.4248			-3.4248	Note-1
FY 2019-	80.2767	102.3985	-22.1218			-22.1218	Note-1

20							
FY 2020-21	110.5900	114.2235	-3.6335			-3.6335	Note-1
FY 2021-22	129.7716	114.2356	15.5360	12.4288	3.1072		Note-2
FY 2022-23	87.7755	87.9377	-0.1623			-0.1623	Note-1

Note 1:

Year 2018-19, Year 2019-20, Year 2020-21 and Year 2022-23

Softex forms are filed for full invoice amount however revenue in books is recorded after considering unit rectification entry for transfer of revenue to correct unit of the same entity. Hence revenue to that extent is reduced for the particular year under review.

Note 2:

Year 2021-22

Export revenue as shown in APR includes entry for accrual of revenue for which SOFTEX forms are not filed as actual billing is not made. Invoices for Expense reimbursement are booked as revenue based on chargeback invoices. This revenue is not Export revenue hence Softex forms are not filed for the same however same is included in revenue as per Financial Statement.

b. *IMPORT:* (Rs. In Cr.)

Year/Period	Figures reported in APR (CIF Value)	Figures as per Customs Records	Difference if any	Reason for Difference/Remark
FY 2018-19	1.3478	1.3478	0.00	-
FY 2019-20	0.6700	0.6700	0.00	-
FY 2020-21	1.2585	1.2585	0.00	-
FY 2021-22	0.2944	0.2944	0.00	-
FY 2022-23	5.8730	5.8730	0.00	-

(c) BLUT

(Rs. In crores)

1	Value of BLUT Executed (Duty foregone) (including for CG/ Raw Material/ Services) Value of Additional BLUT executed: • Year: Date of acceptance • BLUT amount: TOTAL value of BLUT Executed: -	BLUT Amount - Rs 21.80 crores Date of acceptance 07/10/2019 - Total Value of BLUT– Rs. 21.80 crores
2	Total Duty Foregone on goods & Services procured (Category-wise BLUT value utilized separately for	Figures in Rs. crores FY 2018-19

	<p>imported and indigenous goods and services) This should be based on BLUT worksheet which provides for estimated value and duty foregone separately for each category of procurement.</p>	<p>Goods</p> <p>Imported – 0.26</p> <p>Indigenous – 0.02</p> <p>Services</p> <p>Imported – 0.00</p> <p>Indigenous – 0.83</p> <p>FY 2019-20</p> <p>Goods</p> <p>Imported – 0.12</p> <p>Indigenous – 0.04</p> <p>Services</p> <p>Imported – 0.00</p> <p>Indigenous – 0.71</p> <p>FY 2020-21</p> <p>Goods</p> <p>Imported – 0.33</p> <p>Indigenous – 1.03</p> <p>Services</p> <p>Imported – 0.00</p> <p>Indigenous – 0.44</p> <p>FY 2021-22</p> <p>Goods</p> <p>Imported – 0.13</p> <p>Indigenous – 0.82</p> <p>Services</p> <p>Imported – 0.00</p> <p>Indigenous – 5.45</p> <p>FY 2022-23</p> <p>Goods</p> <p>Imported – 1.19</p> <p>Indigenous – 0.03</p> <p>Services</p> <p>Imported – 0.00</p> <p>Indigenous – 1.40</p>
3	<p>Has the Unit procured goods and or services without having sufficient balance in their BLUT?</p> <p>If Yes,</p> <p>Month & year when the BLUT was exhausted</p> <p>Details of the consignments and Total value of Goods procured without having sufficient or nil balance in BLUT</p>	No
(d)	<p>Employment made as on date i.e. 31.03.2023 (as on end of block period/ year upto which monitoring is being done)</p>	<p>Total :- 318</p> <p>Female: - 111</p> <p>Male :- 207</p>
(e)	<p>Details of Pending Foreign Remittance beyond Permissible period, if any (as on 31.03.2023)</p>	Nil

	To cross-check the same and verify whether necessary permission from AD Bank/ RBI has been obtained.											
(f)	Whether all Softex has been filed for the said period. If no, details thereof.	Unit informed that they have filed all the Softex forms.										
(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.	Unit informed that all Softex certified except (3 under condonation of delay) as mention in Annexure. Unit informed that they are in process of filing delay condonation appln.										
(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.	IT Services rendered to DTA wherein payment received in INR. In this regard Unit informed that SEZ Unit has levied IGST on all services provided in DTA and tax so collected has been paid to Govt through GSTR3B. <u>Appears to be violation of SEZ Rules.</u>										
	If yes, details thereof (year wise details to be provided)											
	<table><tr><td>Year</td><td>in Cr.</td></tr><tr><td>2018-19</td><td>0.9178</td></tr><tr><td>2019-20</td><td>0.3392</td></tr><tr><td>2020-21</td><td>0.1572</td></tr><tr><td>2021-22</td><td>0.3778</td></tr></table>		Year	in Cr.	2018-19	0.9178	2019-20	0.3392	2020-21	0.1572	2021-22	0.3778
	Year		in Cr.									
	2018-19		0.9178									
	2019-20		0.3392									
2020-21	0.1572											
2021-22	0.3778											
(j)	SO to verify and certify whether the unit has updated the BLUT ledger Module in SEZ Online.	Kept in abeyance as per Office Order No. F.No. SEEPZ/JDC PUNE/01/2022-23/2151 dated 16.03.2023										
(k)	Has the unit cleared any Capital Goods procured duty free in DTA against Payment of Duty, or otherwise? Full details to be provided along with value of assets and duty discharged	Sale of Capital Goods- E-waste – IT assets FY 2021-22 - Value Rs 0.01 cr Duty paid Rs 0.0020 cr FY 2022-23 - Value Rs. 0.05 cr. Duty paid Rs. 0.01 cr.										
(l)	Is the unit sharing any of their infrastructure with other units or are utilizing infrastructure of another unit in the same or other SEZ? If so, details thereof, including the details of the unit with whom the sharing is being made, and the payment terms If approval for sharing of common infrastructure has been obtained from UAC/DC office, the date of UAC/ Approval letter to be indicated	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.	Unit informed that they are in the process of filing DSPF forms.										
(n)	Whether unit has filed all DTA procurement w.r.t. the goods procured by them during the monitoring period for the relevant period:	Yes										

	If no, details thereof	
(o)	Details of the request IDs pending for OOC in respect of DTA procurement on the date of submission of monitoring report	NIL
(p)	Has the unit set up any cafeteria/ canteen/ food court in unit premises? If yes, whether permission from UAC/DC 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	No
(q)	Whether any violation of any of the provisions of law has been noticed/ observed by the Specified Officer during the period under monitoring	No

List of SOFTEX Pending					
SNo.	SOFTEX RID	Month & Year	Amount in USD	Amount in INR	Reason for pendency
1	142200214155	June-2022	0.06	4.78	Condonation for delay in SOFTEX submission. Unit informed that they are in process of making application.
2	142300033142	Dec-2022	0.05	4.35	
3	142300128670	Mar-2023	0.24	19.86	

f. ADC's observations:

- The Unit has achieved export revenue of Rs. **689.22** Crores as against projected export of Rs **341.95** Crores i.e. 201.55 % and has achieved positive cumulative NFE of Rs **634.46** crores i.e. **92.06%** in the 3rd Block period i.e. during the FY 2018-19 to FY 2022-23.
- It is observed that the unit has provided services in DTA against the payments received in INR as detailed below:

Year	DTA Sale in INR Amount in Crores
2018-19	0.9178
2019-20	0.3392
2020-21	0.1572
2021-22	0.3778
Total	2.1698

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 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 for FY 2018-19 to FY 2022-23 for 3rd block period of 5 years, in terms of Rule 54 of SEZ Rules, 2006.
