

Contemplating The Benefits of Special Economic Zone Of STP (Software Technology Parks)in Coimbatore (Case Based Approach)

Dr G Jayanthi*, Ms.Poojasree K& Mr. Logash V**

*(Dean-Management Studies, KG College of Arts and Science, Coimbatore

Email: jayanthi.g@kcgcas.com

** (Students, II MCom International Business, KG College of Arts and Science, Coimbatore

Abstract:

For the purposes of trade operations, duties and tariffs, a Special Economic Zone (SEZ) is a precisely delimited duty-free enclave that is treated as foreign territory. The main objective of SEZ is to enhance foreign investment and the creation of employment opportunities in India. Economic laws are liberal in SEZ than the country's typical economic laws. SEZs are having significant relationship with growth of the Nation's economy. The main purpose of the incentives given to the exporters is to promote exporting business and the promotion of FDI into our economy. To know the importance of Creation of employment opportunities is yet another objective of creating SEZ and the development of infrastructural arrangements are the main aim of the article. The fundamental differences and advantages of Special Economic Zones (SEZ) and Software Technology Parks of India (STPI) are described in this article.

Keywords —STPI, SEZ, Institutional incentives, Benefits of SEZ

I.INTRODUCTION - SPECIAL ECONOMIC ZONE- AN OVERVIEW

"SEZs are totally export-import focused business zones, but because of the complete tax exemption and other benefits, everyone viewed them as a tax haven. This resulted in a surge in SEZ applications for all types of businesses after 2005, regardless of whether they were export-oriented or not."

1.1 Special Economic Zone – SEZ in India

In India, Special Economic Zones (SEZ) were established to create an internationally competitive and hassle-free environment for export promotion. The Special Economic Zone (SEZ) Act, 2005 establishes SEZs in India. The SEZ Act streamlines procedures and creates a single point of contact for

concerns involving both the federal and state governments. In this essay, we'll go over the foundations of SEZs in India, as well as the benefits of establishing a business in one. SEZ Act in India Special Economic Zone – SEZ in India are established through the SEZ Act, 2005. The main objectives of the SEZ Act are:

- Generation of additional economic activity
- Promotion of exports of goods and services
- Promotion of investment from domestic and foreign sources
- Creation of employment opportunities
- Development of infrastructure facilities

1.2 The following are the Major Objectives of SEZ :

- To increase domestic and international investments

- To generation of additional economic activity
- To generate employment opportunities
- To development of infrastructure facilities

1.3 Objectives of Special Economic Zones in India

- Creation of new economic activity
- Promotion of products and service exports
- Encouragement of domestic and international investment
- The creation of jobs
- Infrastructure facilities development
- Procedures for developing, operating, and maintaining Special Economic Zones, as well as for establishing units and conducting business, have been simplified.
- A single window permission is required for the establishment of a SEZ and a SEZ unit.
- Clearance through a single point of contact for both the federal and state governments
- Simplified and easy-to-understand compliance procedures and documentation, with a focus on self-certification

Some of the salient features of Indian Special Economic Zones:

Establishment of SEZs-Unlike their foreign equivalents, which are mostly maintained by their respective governments, Indian SEZs are developed by the government, private sector, and joint sector. Both Indian and international players benefit from this.

For greenfield SEZs, the government has set aside 1,000 hectares as the least desirable area. Although there are no restrictions in terms of ideal location when it comes to developing sector-specific SEZs.

Foreign Direct Investment (FDI) - All endowments in Special Economic Zones are authorised 100 percent FDI, with the exception of activities catalogued under the unconstructive record such as, Arms and ammunition and other items of defense, Narcotic and Psychotropic substance, Hazardous Chemicals, Distillation and Brewing of alcoholic drinks and Cigarettes and Tabacco.

SEZ divisions are required to be net foreign exchange yielders and are not entitled to any value addition guidelines or export responsibilities at all. Commodity surges from the Domestic Tariff Area (DTA) into a Special Economic Zone (SEZ) are counted as exports, whereas commodity surges from the SEZ into the DTA are counted as imports.

1.4 NEED FOR THE STUDY

The main goal was to attract more foreign investment and create a more competitive and hassle-free environment for exports on a global scale. The goal was to boost exports from the country while also recognizing the importance of providing a level playing field for domestic businesses and manufacturers in order for them to compete globally. SEZs were created to entice foreign investors to invest in India. SEZs are equipped with world-class amenities such as water, power, roads, transportation, and storage. This foreign investment will aid our country's economic development. SEZs are critical to a country's rapid economic development. It aided China in the early 1990s, and there were expectations (although not very strong ones) that similar export-processing facilities would be established in India to benefit the exporters.

1.5 Objectives of the Study

The following are the main objectives of the study:

- 1.To analyse the major institutional benefits of setting up of business in SEZ (Special Economic Zone)
- 2.To contemplate upon the key advantages of SEZ in India
3. To know the significance of Special Economic Zone (SEZ) VS Software Technology Parks in India (STPI)

1.6 Research Methodology

Background : A conceptual study of knowing the Institutional benefits offered to the Indian exporters is the locational advantage. Doing a business at the special economic Zone will

benefit the exporters in many ways. The article tries to figure out the benefits offered to the sector of STP of India.

Descriptive research method is adopted to contemplate upon the factors deciding the institutional benefits to the exporters.

Sources of data : The secondary sources of data are used for the study of benefits of SEZ. The web sources, articles, websites and blogs written by scholars were used to comprehend the SEZ.

Case Study : A case of Coimbatore based Software export company (at CHIL –SEZ) is briefed for knowing the functions of a Software Industry.

1.7 History of SEZ (Conceptual Background)

Yester years EPZ's (Exporting Processing Zones) are today's SEZ's.

The world first known instance of SEZ have been found in an industrial park set up in Puerto Rico in 1947. In the 1960s, Ireland and Taiwan followed suit, but in the 1980s China made the SEZs gain global currency with its largest SEZ being the metropolis of Shenzhen.

Special Economic Zone (SEZ's) Scheme in India was conceived by the Commerce and Industries Minister Murasoli Maran during a visit to special Economic Zones in China in 1999.

The scheme was announced at the time of annual review of EXIM Policy effective from 1.4.2000.

The basic idea behind establishing these zones is to reserve areas where export production could take place free from all rules and regulations governing imports and exports and to give them operational flexibility.

The policy provides for setting up of SEZ's in the public, private, joint sector or by State Governments. It was also envisaged that some of the existing Export Processing Zones would be converted into Special Economic Zones. Accordingly, the government has converted Export Processing Zones located at Kandla and Surat, Cochin, Santa Cruz, Falta, Madras, Vishakapatnam and Noida into Special Economic Zones.

1.7.1 Types of SEZ

Sector Specific SEZ-units may be set up for manufacture of one or more goods in a sector rendering of one or more services in a sector Multi-product SEZ-units may be set up for

- manufacture of two or more goods in a sector or goods falling in two or more sectors
- trading and warehousing
- rendering of two or more services in a sector or services falling in two or more sectors.

Other SEZ's

1. SEZ in a port or airport
2. SEZ for Free Trade and Warehousing

1.7.2 Major SEZ and its Benefits

The SEZ Act also provides a number of incentives to units proposed to be set up in SEZs. SEZ units may be set up for carrying on manufacturing, trading or service activity. A unit set up in SEZ has the following facilities and incentives:

- 1) Land Grabbing at very low prices.
- 2) If SEZ built on agricultural land the farmers will lose their livelihood as they are not skilled laborers it would be tough to relocate them to other jobs. Already Farmers are having very bad days in India, one of the leading agriculture countries.
- 3) Since the companies that operate under SEZ enjoy a lot of tax holidays it would create a burden on the finance ministry as tax collected would be less.
- 4) Huge downward impact on Tax: GDP ratio & the common man have to pay the price of it.
- 5) 15 year corporate tax holiday on export profit – 100% for initial 5 years, 50% for the next 5 years and up to 50% for the balance 5 years equivalent to profits ploughed back for investment.
- 6) Allowed to carry forward losses.
- 7) No licence required for import.
- 8) Duty free import/domestic procurement of goods for setting up of the SEZ units.
- 9) Goods imported/procured locally are duty free and could be utilised over the approval period of 5 years.

10) Exemption from customs duty on import of capital goods, raw materials, consumables, spares, etc.

11) Exemption from Central Excise duty on the procurement of capital goods, raw materials, consumable spares, etc. from the domestic market.

12) Exemption from payment of Central Sales Tax on the sale or purchase of goods, provided that, the goods are meant for undertaking authorized operations.

13) Exemption from payment of Service Tax.

14) The sale of goods or merchandise that is manufactured outside the SEZ (i.e, in DTA) and which is purchased by the Unit (situated in the SEZ) is eligible for deduction and such sale would be deemed to be exports.

15) The SEZ unit is permitted to realize and repatriate to India the full export value of goods or software within a period of twelve months from the date of export.

16) "Write-off" of unrealized export bills is permitted up to an annual limit of 5% of their average annual realization.

17) No routine examination by Customs officials of export and import cargo.

18) Setting up Off-shore Banking Units (OBU) allowed in SEZs.

19) OBU's allowed 100% income tax exemption on profit earned for three years and

20) 50 % for next two years.

21) Exemption from requirement of domicile in India for 12 months prior to appointment as Director.

20) Since SEZ units are considered as 'public utility services', no strikes would be allowed in such companies without giving the employer 6 weeks prior notice in addition to the other conditions mentioned in the Industrial Disputes Act, 1947.

22) The Government has exempted SEZ Units from the payment of stamp duty and registration fees on the lease/license of plots.

23) External Commercial Borrowings up to \$ 500 million a year allowed without any maturity restrictions.

24) Enhanced limit of Rs. 2.40 crores per annum allowed for managerial remuneration

1.7.3 Key Advantages of SEZ Units in India

10-year tax holiday in a block of the first 20 years

- Exemption from duties on all imports for project development
- Exemption from excise / VAT on domestic sourcing of capital goods for project development
- No foreign ownership restrictions in developing zone infrastructure and no restrictions on repatriation
- Freedom to develop township in to the SEZ with residential areas, markets, play grounds, clubs and recreation centres without any restrictions on foreign ownership
- Income tax holidays on business income
- Exemption from import duty, VAT and other Taxes
- 10% FDI allowed through the automatic route for all manufacturing activities
- Procedural ease and efficiency for speedy approvals, clearances and customs procedures and dispute resolution
- Simplification of procedures and self-certification in the labor acts
- Artificial harbor and handling bulk containers made operational through out the year
- Houses both domestic and international air terminals to facilitate transit, to and fro from major domestic and international destinations
- Has host of Public and Private Bank chains to offer financial assistance for business houses
- A vibrant industrial city with abundant supply of skilled manpower, covering the

entire spectrum of industrial and business expertise

- Well connected with network of public transport, local railways and cabs
- Pollution free environment with proper drainage and sewage system
- In-house Customs clearance facilities
- Easy access to airport and local Railway Station
- Full authority to provide services such as water, electricity, security, restaurants and recreational facilities within the zone on purely commercial basis
- Abundant supply of technically skilled manpower
- Abundant supply of semi-skilled labor across all industry sectors

The main Advantages of SEZ Units in India can be summarized as promotion of industrialization and economic growth through sustainable development. The main policy statement of the first Special Economic Zone policy statement states that these SEZ units of India shall be offered tax rebates, fiscal incentives and lands at subsidized rates and these are the primary Advantages of SEZ Units in India. The implementation of the first drafted Special Economic Zone policy took place from the end of the year 2000. The first policy statement for the development of Special Economic Zones in India was drafted as a five-year project, starting from 1.11.2000 to 09.02.2006. Further, the first policy statement of the Indian Special Economic Zones were amended to accommodate and compliment the growth at national level.

II. Special Economic Zone (SEZ) VS Software Technology Parks in India (STPI)

The government of India introduced the SEZ & STPI schemes with the main purpose of providing a competitive and hassle-free environment for attracting foreign direct investment, earning foreign exchange, and employment generation in India.

2.1 Software Technology Parks of India (STPI)

Software Technology Parks of India is a 100% export oriented scheme under the Ministry of Electronics and Information Technology (MeitY) engaged in promoting IT/ITES Industry, innovation, R&D, start-ups, product/IP creation in the field of emerging technologies like IoT, Blockchain, Artificial Intelligence (AI), Machine Learning (ML), and more. This scheme mainly focuses on one sector that is “Computer software”. As per statistics, “STPI has played a tremendous role in transforming the country as the preferred IT destination, a fact that aptly proven by the stupendous growth in exports by STPI-registered units from Rs. 52 crores in 1992-93 to Rs. 4,74,183 crores in 2019-20, which is approx. 50% of the national software exports and 2.3% of India’s GDP.”

2.2. The main objectives of STPI are:

- To promote development and export of SaaS (Software and Software services)
- To provide statutory and other promotional services to the exporters
- To provide data communication services
- To promote micro, small, and medium entrepreneurs in the field of IT / IT enabled services.

2.3 STPI Centres in India

The government of India established the STPI centers across the country. The first STPI center opened in 1990 in Mumbai, Pune. At present, there are 15 STPI centers located in India across various cities.

2.4 Major Functions of STPI are listed below :

- To establish software technology parks at various locations in the country.
- To work closely with respective State Government and act as an interface between Industry and Government.
- To perform financial management functions.
- To promote quality and security standards in the I.T industries.
- To work jointly with venture capitalists for providing financial assistance to the IT industries.

2.5 Common Highlights of STPI & SEZ:

- Exemption from central excise duty on the procurement of raw materials, capital goods, etc. from the domestic market.
- Exemption from customs duty on import of capital goods and raw materials, etc.
- Simplified procedures and single window clearance to set up units and conducting business.
- 100% foreign equity is permitted to be invested in the units.
- External commercial borrowings up to \$500 million a year allowed without any maturity restrictions

2.6 Chief Objectives of Special Economic Zone (SEZ):

- To make additional economic activity
- To boost the exports of goods and services
- To generate employment
- To develop infrastructure facilities
- To increase domestic and international investments

Information technology parks gaining attraction in the past few years, with more developing countries adopting the trend to reap the socio-economic benefits. Let's discuss some major advantages of setting up a business in IT SEZs:

2.6.1 Boosts Economy

The information technology industry is an essential part of the technology-driven knowledge economy. To be noted, India has been perceived as a knowledge economy due to the significant growth in Information Technology (IT) industry.

The growth of the IT sector in India is remarkable across the economies of the world, "In 2019-20 market size of India's IT industry peaked at 191\$ Billion and share in GDP wise 7.7 percent". Therefore, setting up an IT unit in SEZs will play a pre-eminent role in the ongoing global fourth industrial revolution.

2.6.2 Provide Ample Space for Development

In contrast to office and commercial buildings, IT SEZs are large outdoor spaces that make it easier for business nurture and expansion. A special economic zone provides abundant office space,

fully-equipped modern infrastructure facilities, perfect storage facilities, and high-quality auditorium & conference rooms. Businesses can achieve this kind of facility by establishing their business in Chennai One IT SEZ.

2.6.3 Incorporate With Latest Technologies

IT special economic zones (SEZ) provides state-of-art infrastructure and professionally managed services that attract many global and local investors. IT SEZs have furnished with the latest efficient telecommunications, high-speed broadband internet facilities, long-load power backups, and several other amenities that facilitate the establishment and manage a business.

2.6.4 Armed With Security Features

Security is necessary and required to protect from all of the assets and belongings of businesses within IT SEZ. It is important to maintain a high level of security in order to prevent such theft and vandalism. In IT special economic zone armed with state-of-art security features. From CCTV security cameras to heavily guard by security professionals, these will help to reduce the likelihood of security breaches.

IT Special economic zones can make valuable contributions to the growth and development of the country. It also helps to achieve in bridging linkages with the broader economy

III. CASE OF SOFTWARE BUSINESS IN COIMBATORE

3.1 INTRODUCTION

3.1.1. Geographical Location of CHIL SEZ

The SEZ, located in **CHIL Special Economic Zone (CHIL SEZ)**, is nestled in a serene pollution free atmosphere. India Land KGISL Tech Park, in Saravanampatti, is located on the North side of Coimbatore and is 12 kms away from CBD.

Coimbatore, Tamilnadu's second largest city, is quickly establishing itself as a preferred IT and ITES location for prominent enterprises wishing to expand beyond metro areas. Saravanampatti, one such IT zone in Coimbatore, is already proving to be a popular destination for household IT and ITES brands like Cognizant, Bosch, Spheris, and SPI. The SEZ is located in the CHIL Special Economic

Zone (CHIL SEZ) and is surrounded by a peaceful, pollution-free environment.

The India Land KGISL Tech Park in Saravanampatti, on the outskirts of Coimbatore, is 12 kilometres from the city centre. The project is only 11 kilometres from the Coimbatore airport and is near to NH47. This IT Park is already operational, 24 hours a day, seven days a week. This project has a total leasable area of 1.5 million square feet spread over 12 acres of land. This cutting-edge IT park is tailored to the needs of IT and ITES firms.

India Land's KGISL Tech Park boasts world-class infrastructure. It is designed in an environmentally friendly manner, with excellent energy and floor efficiency. This IT Park complies with the National Building Code in every way.

For a warm shell space of 20,000 sft or more, the pricing is Rs 27/sft.

Apart from vacant land available at the IT parks for development, Coimbatore has totally 3.6 million sq.ft. of built-up IT space. Of this, nearly 1.4 million sq.ft. is in special economic zones, which includes the Tidel Park and two private IT parks. In October-November last year, nearly eight lakh sq.ft. was vacant and that has reduced to six lakh sq.ft., with hardly any space available at shared facilities at IT parks.

The demand for space started going up in January-February for a variety of reasons, as multiple companies exploring the possibility of setting shop here. "Those who would have gone to Chennai or were looking for a location in Tamil Nadu for expansion, began looking at Coimbatore" says Ashok Bakthavatsalam, director of CHIL SEZ.

The Coimbatore Tidel Park, commissioned in 2010, has achieved 100 per cent occupancy this year with more than 60 companies operating from it and employing nearly 9,000 people. This includes multi-national companies, start-ups and SMEs. "Enquiries started going up especially after the floods in Chennai last year," says an official of Tidel Park. According to the Hindu Report,

Though IT companies were operating in the city even in the last 1990s, the real thrust came with the development of the CHIL SEZ about 10 years ago. With the Coimbatore Tidel Park, the city got the required visibility. Yet, there were issues such as international connectivity and social infrastructure that were seen as challenges for the growth of the IT sector.- The Hindu

KGISTL, which was formed as a distinct firm by the KG Information Systems Pvt Ltd (KGISL) group, has an enviable position in Coimbatore's Infrastructure sector. The KGISL Group is dedicated to providing quality in everything it does. We are constantly striving to provide the highest level of quality and service to our customers. KGISL Group offers services in an elegant way combining them with new age of architectural innovations.

The KGISL Group owns and operates CHIL/SEZ, the city's first Electronic Hardware and Software Special Economic Zone (SEZ). Top IT companies in Coimbatore, such as KGISL, KGFSL, Cognizant Technology Solutions, Robert Bosch, DELL, M Model, Ugam Solutions, Digital Nirvana, Pace Micro Technology, Planet Online, and Hirotec Engineering Services (an American Japanese automobile business), employ around 12000 Hi-tech Engineers. The IT Park is expected to have 40000 jobs by 2016, thanks to its rapid expansion. KG Campus is home to KGISL Institute of Technology (KITE), KG College of Arts and Science, KGISL - Institute of Information Management, Coimbatore's flagship IT companies, KG Information Systems Private Limited and KG Financial Software Private Limited, as well as KGDS Renewable Energy Private Limited, a path-breaking solar research and development company.

3.2 OVERVIEW OF SOFTWARE INDUSTRY

KG Information Systems Private Limited (KGISL), is a leading customer contact management services & solutions company in the Business Process

Outsourcing world. They leverage on their deep industry knowledge backed by technology and analytics expertise to deliver best in class services & solutions to clients globally. For the past 25 years, KGiSL has been delivering people-process-technology solutions from their enterprise class global sites. With a focus on measurement and incremental improvement, they help their clients compete in the marketplace. From customer outreach and support to healthcare and data security.

3.3 FINANCIAL DATA ANALYTICS

KGiSL has been managing and re-engineering F&A services for clients across industries for years, building tested and proven domain expertise and a highly skilled workforce to deliver measurable results and help clients achieve best in class practices and performance. KGiSL provides Financial Data Analytics services to corporate F&A divisions. The services are well administered to ensure service commitment is maintained. The back-office helpdesk team functions as an extension of client's process and offers support functions. These solutions are tailored to improve process efficiency and enhancing customer satisfaction. They offer end-to-end process support for:

- Quarterly Financial Earnings Event Briefs & Transcripts
- Quarterly & Annual (10Q, 10K & 8K) SEC Filings Research
- Processing equity filings (IPO & SPO)
- SEC Comparison analytics & Delta Reports
- Financial Data Analysis
- Publishing Analysis & Guidance Reports
- Managing Records and Documentation

KGiSL supports this function by leveraging their people, processes, tools and technology to ensure productive and cost effective resource utilization. KGiSL can also provide services within the client's systems, technology and workflow, integrating the teams to provide the support and flexibility needed to maximize capacity. Services are customized around client specific needs and deliver highest quality without sacrificing speed

and efficiency. Streamlined processes play a major role in determining the ultimate success of our clients. Let us help you uncover financial insights that deliver competitive advantages, improve decision making and drive growth by boosting your data and analytics capabilities. KGiSL understands the fact that processing of documents, as in case of healthcare, business, finance and legal, usually requires a high degree of confidentiality. The company has a culture of ensuring that anything KGiSL receives remains safeguarded and completely confidential. They value relationships that have built with their clients and the fact that the clients repose their faith in the services stands as the testimony to KGiSL's quality of service.

3.4 ABOUT MANAGING DIRECTOR (Managerial Characteristics)

Ashok Bakthavathsalam is the Founder & Director of KG Information Systems Private Limited and is responsible for KGiSTL Group's growth by playing a key role in both leadership and management of the company. Ashok Bakthavathsalam is a successful entrepreneur, who has built much of his success on almost prescient ability to stay ahead of industry trends. It is this business acumen that led to the growth of IT and BPO Services at KGiSTL Group. Tenacious, passionate and a determined Managing Director, helped the company quickly achieve a high level of prominence in a very competitive business environment. His business acumen is perfectly complemented by the several years of valuable experience in technology management that he gained while working for leading Silicon Valley-based high-tech companies.

3.4.1.DIRECTOR

Late Mrs. Divyalakshmi is a successful entrepreneur in the New Economy and has built much of her success on an almost prescient ability to stay ahead of industry trends. Her business acumen is perfectly complemented by the several years of valuable experience as a leading woman entrepreneur with over 10 years of business experience in various industry verticals like Finance, Healthcare, Education, Travel, and Entertainment.

She actively took part in the up-bringing of KG Information system (P) Ltd (KGiSTL Group) - an acclaimed Information Technology (IT) consulting company which is also a provider of specialty Business Process Outsourcing (BPO) services and subsequently played a major role in various capacities with regard to Leadership and Management of the company.

3.5 CHIL- SEZ

It's all occurring right here at CHIL - Coimbatore Hi-tech Infrastructure Private Limited, the region's first Special Economic Zone established by Coimbatore's IT pioneer.

KGiSL, Coimbatore's first global IT business and part of the US\$ 500 million KG Group of Companies, is promoting CHIL IT Park. KGiSL established the region's first SEZ, anticipating Coimbatore's potential development as a tier-2 IT centre.

3.5.1. Project Highlights:

- Ideally located in Coimbatore, the fifth best city to do business according to a Business Today survey
- 150 Acres
- Built to suit the needs
- Different options to suit the level of operations (warm shell / cold shell)
- Close to educational institutions, airport etc.
- State-of-the-art construction and quality materials used
- Provision of all major amenities such as centralized food courts, recreational facilities, conference halls etc
- Landscaped entrance and eco-friendly layout

3.5.2 Location

CHIL IT Park is located in Saravanampatti, which is effectively the city's IT Corridor, with the area hosting a substantial percentage of Coimbatore's IT enterprises. Its convenient access to Coimbatore's city, airport, railway station, bus terminals, and arterial routes gives it the advantage of being in a perfect position.

CHIL IT Park consistently provides world-class amenities and services. This is aided by the vast experience gained from addressing the group's various infrastructure needs - an infrastructure that spans 60 years of expertise in a variety of industries, including technology, engineering, education, travel, and entertainment, and encompasses over 4 million square feet of office space.

3.5.3 Quality Initiatives

Quality is the cornerstone of cutting edge IT solutions and as an **SEI CMM® Level 4 company**, KGiSL fully appreciates the importance of the quality paradigm. KGiSL constantly benchmarks itself against international quality standards and is also today a certified ISO 9001 service provider. Its Quality Initiatives mean its development processes are sharply focused on enhancing the quality standards by aligning the people, the business objectives with the processes and technology. Constantly following up on this firm belief, KGiSL has stringent quality assurance and control measures to ensure its clients have nothing but the best of services.

Establishing a mature process and improving it continuously to make it effective and contemporary requires specialized process knowledge, quality management skills, and exposure to the latest trends in industry, technology and best practices.

At KGiSL it is equally important to innovate on project management and engagement processes that enable it to deliver robust solutions for its clients within time and budget.

At KGiSL, dedicated groups responsible for thought leadership drive the organizational impetus to innovate. Process frameworks, methodologies, and reusable knowledge objects combine with topical thought leadership to demonstrate innovation in solution definition and engagement delivery for the client.

KGISL's varied experience with multiple vertical domains has enabled the company to evolve a robust development process/methodology which ensures that client projects measure up to expectations.

Extensive usage of process measurements helps KGISL constantly improve its quality, productivity and on-time delivery capabilities, thus enabling it to provide innovative software services.

3.5.4 CHIL IT PARK- THE HOMESTEAD TO IT COMPANIES

Co-located adjacent to the KGiSL Campus, CHIL IT Park is home to

- KG Information Systems Private Limited (1000 Employee IT/BPO Company)
- Robert Bosch India Limited (US \$ 50 billion German Subsidiary)
- Cognizant Technology Services (US MNC)
- Perot Systems Limited (US \$ 3 billion US Subsidiary)
- SPI Healthcare Documentation (Philippines based 500 Employee Company)
- KGTESCO Engineering Services (100 Employee Indo-US Joint Venture Company)

3.5.5.CHIL LIFE

A walk-to-work based infrastructure will be created around CHIL IT Park, resulting in a fully enclosed gated community township that will allow employees of the IT companies at CHIL IT Park to get at work with the least minimum of effort.

CHIL IT Park is surrounded by food courts, shopping malls, convenience stores, colleges, and schools, making it an ideal confluence for cultures from all over the world to feel at peace in a global setting.

Now, annual software exports from Coimbatore are said to be over Rs. 6,000 crore. According to data available on the website of MEPZ Special Economic Zone, over Rs. 3,400 crore was the software exports from just the Elcot SEZ at Vilankurichi and CHIL SEZ in 2015-2016.

Investment	<p>Investment: TOTAL of 2,190 crores</p> <p>So far, approximately 990 crores of investment has been brought in by KGISL-Indialand, Bosch, Cognizant and Dell. A further investment of 1,100 crores is in the pipeline and slated for completion by Dec 2013. Leading SME companies (Ugam Solutions, CBay) from other metros like Mumbai have found home in the SEZ.</p>
Land Extent	<p>Land extent: Total of 250 acres</p> <p>150 acres of SEZ notified area, and 100 acres of non-SEZ area for support infrastructure including residential housing and other amenities.</p>
Employment	<p>Employment: 20,000 direct and indirect jobs by 2013</p> <p>Currently, 6,500 professionals (total of 11,000 including other workers) are already employed in the zone, and total of 12,000 direct jobs is estimated by Dec 2013. We estimate at least a minimum of 8,000 indirect jobs to be generated in support activities, totaling 20,000 jobs by 2013.</p>

Export Performance	<p>Export Performance: 1,200 crores and counting: 80% of all IT exports are generated from the SEZ region</p> <p>Overall, 417 crores has been exported up to Oct 2010 since inception in Sept 2008. Total exports from the SEZ alone will exceed 1,200 crores by Dec 2013. We estimate that 80% of all of Coimbatore's IT exports for 2009-2010(of 710.66 crores) are generated in the three villages of Saravanampatti, Chinnavedampatti and Keeranatham.</p>
--------------------	---

(Table showing the CHIL-SEZ InfrastructureSource : <http://sez.kgisl.com/chil-sez.html>)

IV Conclusion

A special economic zone (SEZ) is a particularly marked territory or enclave within the national borders of a region that has more progressive economic laws than the rest of the country. The state government plays a key role in the setting up of special economic zone in association with the private sector. According to Statista research department “The value of exports from SEZs increased to more than 8 trillion Indian rupees across India in financial year 2020”

The main mission of the special economic zone (SEZ) is to generate employment opportunities and promoting investment. The Government of India aims to increase production capacity in the domestic market and enhance foreign direct investment (FDI). As per Statista, “FDI Equity inflows in India FY2020 almost 15% contributed to the service sector and computer hardware & software”.

The world is looking at India in a big way; the presence of both Special Economic Zone (SEZ) and Software Technology Parks of India (STPI) has an encouraging eco-system to leverage India’s position of innovation and startups that make it a global tech hub.

Chennai One is the leading IT SEZ in Chennai, provide the space and services to nurture a holistic and innovation-centric work culture that combines form and functionality with a perfect blend of work and leisure. Chennai One IT SEZ stands out as one of the best IT Park in Chennai and the ideal destination to set up business unit for long-term development & growth.

Web References

1. <http://chennai1.in/blog/special-economic-zone-sez-vs-software-technology-parks-of-india-stpi/#>:
2. <http://chennai1.in/blog/advantages-of-setting-up-a-unit-in-an-it-special-economic-zone/>
3. <https://business.mapsofindia.com/sez/advantages-units-india.html>
4. <http://sez.kgisl.com/chil-sez.html>