

**Supplementary Agenda-II for the 83<sup>rd</sup> meeting of the Board of Approval to be held on 19<sup>th</sup> June, 2018 at 11.30 A.M. in Room No. 47, Udyog Bhawan, New Delhi**

**Item No. 83.12: Requests for extension of validity of formal approvals (one proposal)**

(i) **Request of M/s. Kumar Builders Township Ventures Pvt. Ltd. for further extension of the validity period of formal approval, granted for setting up of sector specific SEZ for IT/ITES at Village Hinjewadi & Mann, Taluka - Mulshi, Pune, Maharashtra, beyond 26<sup>th</sup> August 2017 and change in the shareholding pattern of the Developer entity.**

**Name of the developer:** Kumar Builders Township Ventures Pvt. Ltd.

**Sector :** IT/ITES

**Location :** Village Hinjewadi & Mann, Taluk Mulshi, Pune, Maharashtra

**Extension :** Formal approval to the developer was granted on 27.06.2006. The developer has been granted 08 extensions, last extension was upto 26.08.2017. The SEZ stands notified as on date.

**Business Plan**

**a) Investment made till date:**

The Developer has already made an investment of Rs. 426.45 Crores in the project. The details of the said investment are as under:

<b>Sl. No.</b>	<b>Type of cost</b>	<b>Total investment made so far (Rs. in crores)</b>	<b>Incremental investment made since last extension (Rs. in crores)</b>
1	Land Cost	368.00	Nil
2	Construction and other costs	58.45	Nil
	<b>Total</b>	<b>426.45</b>	<b>Nil</b>

**b) Proposed Investment (Additional investment required):**

The project will require a total investment of Rs. 636.45 crores over the next 4 years. The detailed business plan for development of SEZ is as follows:

<b>Sl. No.</b>	<b>Type of Cost</b>	<b>Proposed Investment (Rs. in crores)</b>
1	Construction and other cost	526.45
2	Premium (IT)	50.00
3	Consultancy Fees	10.00
4	Administration Expense	25.00
5	Marketing Expenditure	25.00
	<b>Total</b>	<b>636.45</b>

**c) Funding of the project:**

The Developer has stated that the cost of the project will be funded by way of internal accruals and term loans from banks.

**Details of physical progress**

The detail of physical work progress till date is as mentioned below:

<b>Sl. No.</b>	<b>Activity</b>	<b>% Completion</b>	<b>% Completion since last extension</b>	<b>Estimated deadline for completion of balance work</b>
1	Boundary Wall	55%	Nil	March 2022
2	Incubation centre admeasuring	50%	Nil	March 2022
3	2 <sup>nd</sup> slab for building 'D'	20%	Nil	March 2022

Further, the developer has stated that Classic Hotel Management (India) Pvt. Ltd. ('Classic Hotel') part of Solitaire group has agreed to purchase 88.6 % shares of KBTVPL subject to BOA approval. In this regard, the Share Purchase Agreement has been signed with Classic Hotel.

**Existing Shareholding Pattern:**

<b>Name of shareholding (Equity shares with voting rights)</b>	<b>No. of shares held</b>	<b>Face Value of shares held (INR)</b>	<b>Percentage</b>
Kumar Urban Development Pvt. Ltd.	1,46,19,380	10	61.33
Lalitkumar Kesrimal Jain	65,00,000	10	27.27
LSO Subco no 4 Company	23,54,158	10	9.88
LREF Subco no 4	3,63,234	10	1.52
<b>Total</b>	<b>2,38,36,772</b>		<b>100</b>

**Proposed Shareholding Pattern:**

<b>Name of shareholding (Equity shares with voting rights)</b>	<b>No. of shares held</b>	<b>Face Value of shares held (INR)</b>	<b>Percentage</b>
Atul Ashok Chordia (nominee shareholder of Classic Hotel Management (India) Pvt. Ltd.	1	10	0.01
Classic Hotel Management (India) Pvt. Ltd.	2,11,19,379	10	88.59
LSO Subco no 4 Company	23,54,158	10	9.88
LREF Subco no 4	3,63,234	10	1.52
<b>Total</b>	<b>2,38,36,772</b>		<b>100</b>

The Developer has stated that due to financial and operational constraints, the construction of the SEZ could not be completed. Therefore, the Developer was looking for potential investors.

The Developer has stated that Solitaire Group has the necessary capabilities and experience to develop a world class IT/ITES SEZ and is committed to ensure its success. Further, Classic Hotels has already made an investment of approx. INR 368 crores through the share purchase agreement.

<b>Particulars</b>	<b>Value as on 31.03.2017</b>
Net Worth	Rs. 92,53,36,072.
Reserves and Surplus	Rs. 82,53,36,072.28
Cash and Cash equivalents	Rs. 6,68,76,516.25

**Reasons for delay:**

No reason for the delay in sending the proposal belatedly when the LoA had expired on 26.08.2017, has been put forth.

**Recommendation by DC.**

The proposal of the Developer for Extension of Formal approval beyond 26.08.2017 and change in shareholding pattern submitted and recommended before the BoA for consideration.

The request is placed before BoA for its consideration.

**Item No. 83.13: Requests for extension of LoP beyond 3<sup>rd</sup> Year onward (one proposal)**

**(i) Request of M/s. Indus Gene expressions Limited, a unit in M/s Indus Gene Expressions Ltd. SEZ for Biotechnology beyond 01.01.2018**

- LoP issued on : 02.01.2014
- Nature of business of the Unit : Biotech
- No. of Extensions : 3 (Three) DC, VSEZ
- LOP valid upto : 01.01.2018
- Request : Further extension for one year upto 01.01.2019

The unit has stated that they have invested Rs. 2.69 crores in purchasing of Lab Fume Hoods and furniture and accessories and that they do not have any civil construction activity as the developer executes the entire infrastructural facility and providing to unit. The developer has invested Rs. 24.32 crores towards implementation of biotech project in compliances with International standard of Biotech infrastructure to till date. The unit has informed that they

purchased Laboratory Fume Hoods, furniture and accessories for a value of Rs. 2.69 crores and they will invest remaining Rs. 29.38 crores for the progress of the unit.

**Recommendation by DC:**

DC VSEZ has recommended the request of the unit for a further period of one year i.e. up to 01.01.2019 in terms of Rule 19(4) of SEZ Rules, 2006.

The request is placed before BoA for its consideration.

\*\*\*\*\*