

No. K-43014(22)/4/2021-SEZ
Government of India
Ministry of Commerce and Industry
Department of Commerce
(SEZ Section)

Udyog Bhawan, New Delhi
Dated the 13th March, 2021

OFFICE MEMORANDUM

Subject: 103rd Meeting of the Board of Approval (BoA) for Special Economic Zones (SEZs) scheduled to be held on 18th March, 2021 at 11.30 A.M in Room No. 141 - forwarding of Supplementary Agenda II thereof — Reg.

In continuation to this Department's O.M. of even numbers dated 10th February, 2021, 1st March, 2021 and 12th March, 2021 on the above-mentioned subject, the undersigned is directed to enclose herewith the Supplementary Agenda II for the 103rd meeting of the BoA for SEZs scheduled to be held on 18th March, 2021 at 11:30 A.M. for information and necessary action. Soft copy of the Supplementary agenda has also been hosted on the website: www.sezindia.gov.in.

2. The addressees are requested to make it convenient to attend the meeting through Video Conferencing and shall provide their IP address and location details. A weblink for the meeting shall be shared by this Department shortly.

Sd/-
(Sumit Kumar Sachan)
Under Secretary to the Government of India
Tel: 2306 2496
Email: sumit.sachan@nic.in

To

1. Central Board of Excise and Customs, Member (Customs), Department of Revenue, North Block, New Delhi. (Fax: 23092628).
2. Central Board of Direct Taxes, Member (IT), Department of Revenue, North Block, New Delhi. (Telefax: 23092107).
3. Joint Secretary, Ministry of Finance, Department of Financial Services, Banking Division, Jeevan Deep Building, New Delhi (Fax: 23344462/23366797).
4. Shri Anil Agarwal, Joint Secretary, Department of Promotion of Industry and Internal Trade (DPIIT), Udyog Bhawan, New Delhi.
5. Joint Secretary, Ministry of Shipping, Transport Bhawan, New Delhi.
6. Joint Secretary (E), Ministry of Petroleum and Natural Gas, Shastri Bhawan, New Delhi
7. Joint Secretary, Ministry of Agriculture, Plant Protection, Krishi Bhawan, New Delhi.
8. Ministry of Science and Technology, Sc 'G' & Head (TDT), Technology Bhavan, Mehrauli Road, New Delhi. (Telefax: 26862512)
9. Joint Secretary, Department of Biotechnology, Ministry of Science and Technology, 7th Floor, Block 2, CGO Complex, Lodhi Road, New Delhi - 110 003.

10. Additional Secretary and Development Commissioner (Micro, Small and Medium Enterprises Scale Industry), Room No. 701, Nirman Bhavan, New Delhi (Fax: 23062315).
11. Secretary, Department of Electronics & Information Technology, Electronics Niketan, 6, CGO Complex, New Delhi. (Fax: 24363101)
12. Joint Secretary (IS-I), Ministry of Home Affairs, North Block, New Delhi (Fax: 23092569)
13. Joint Secretary (C&W), Ministry of Defence, Fax: 23015444, South Block, New Delhi.
14. Joint Secretary, Ministry of Environment and Forests, Pariyavaran Bhavan, CGO Complex, New Delhi — 110003 (Fax: 24363577)
15. Joint Secretary & Legislative Counsel, Legislative Department, M/o Law & Justice, A-Wing, Shastri Bhavan, New Delhi. (Tel: 23387095).
16. Department of Legal Affairs (Shri Hemant Kumar, Assistant Legal Adviser), M/o Law & Justice, New Delhi.
17. Secretary, Department of Chemicals & Petrochemicals, Shastri Bhawan, New Delhi
18. Joint Secretary, Ministry of Overseas Indian Affairs, Akbar Bhawan, Chanakyapuri, New Delhi. (Fax: 24674140)
19. Chief Planner, Department of Urban Affairs, Town Country Planning Organisation, Vikas Bhavan (E-Block), I.P. Estate, New Delhi. (Fax: 23073678/23379197)
20. Director General, Director General of Foreign Trade, Department of Commerce, Udyog Bhavan, New Delhi.
21. Director General, Export Promotion Council for EOUs/SEZs, 8G, 8th Floor, Hansalaya Building, 15, Barakhamba Road, New Delhi – 110 001 (Fax: 223329770)
22. Dr. Rupa Chanda, Professor, Indian Institute of Management, Bangalore, Bennerghata Road, Bangalore, Karnataka
23. Development Commissioner, Noida Special Economic Zone, Noida.
24. Development Commissioner, Kandla Special Economic Zone, Gandhidham.
25. Development Commissioner, Falta Special Economic Zone, Kolkata.
26. Development Commissioner, SEEPZ Special Economic Zone, Mumbai.
27. Development Commissioner, Madras Special Economic Zone, Chennai
28. Development Commissioner, Visakhapatnam Special Economic Zone, Visakhapatnam
29. Development Commissioner, Cochin Special Economic Zone, Cochin.
30. Development Commissioner, Indore Special Economic Zone, Indore.
31. Development Commissioner, Mundra Special Economic Zone, 4th Floor, C Wing, Port Users Building, Mundra (Kutch) Gujarat.
32. Development Commissioner, Dahej Special Economic Zone, Fadia Chambers, Ashram Road, Ahmedabad, Gujarat
33. Development Commissioner, Navi Mumbai Special Economic Zone, SEEPZ Service Center, Central Road, Andheri (East), Mumbai — 400 096
34. Development Commissioner, Sterling Special Economic Zone, Sandesara Estate, Atladra Padra Road, Vadodara - 390012
35. Development Commissioner, Andhra Pradesh Special Economic Zone, Udyog Bhawan, 9th Floor, Siripuram, Visakhapatnam — 3
36. Development Commissioner, Reliance Jamnagar Special Economic Zone, Jamnagar, Gujarat
37. Development Commissioner, Surat Special Economic Zone, Surat, Gujarat
38. Development Commissioner, Mihan Special Economic Zone, Nagpur, Maharashtra
39. Development Commissioner, Sricity Special Economic Zone, Andhra Pradesh.
40. Development Commissioner, Mangalore Special Economic Zone, Mangalore.

41. Government of Andhra Pradesh, Principal Secretary and CIP, Industries and Commerce Department, A.P. Secretariat, Hyderabad — 500022. (Fax: 040-23452895).
42. Government of Telangana, Special Chief Secretary, Industries and Commerce Department, Telangana Secretariat Khairatabad, Hyderabad, Telangana.
43. Government of Karnataka, Principal Secretary, Commerce and Industry Department, Vikas Saudha, Bangalore — 560001. (Fax: 080-22259870)
44. Government of Maharashtra, Principal Secretary (Industries), Energy and Labour Department, Mumbai — 400 032.
45. Government of Gujarat, Principal Secretary, Industries and Mines Department Sardar Patel Bhawan, Block No. 5, 3rd Floor, Gandhinagar — 382010 (Fax: 079-23250844).
46. Government of West Bengal, Principal Secretary, (Commerce and Industry), IP Branch (4th Floor), SEZ Section, 4, Abanindranath Tagore Sarani (Camac Street) Kolkata 700 016
47. Government of Tamil Nadu, Principal Secretary (Industries), Fort St. George, Chennai — 600009 (Fax: 044-25370822).
48. Government of Kerala, Principal Secretary (Industries), Government Secretariat, Trivandrum — 695001 (Fax: 0471-2333017).
49. Government of Haryana, Financial Commissioner and Principal Secretary), Department of Industries, Haryana Civil Secretariat, Chandigarh (Fax: 0172-2740526).
50. Government of Rajasthan, Principal Secretary (Industries), Secretariat Campus, Bhagwan Das Road, Jaipur — 302005 (0141-2227788).
51. Government of Uttar Pradesh, Principal Secretary, (Industries), Lal Bahadur Shastri Bhawan, Lucknow — 226001 (Fax: 0522-2238255).
52. Government of Punjab, Principal Secretary Department of Industry & Commerce Udyog Bhawan), Sector -17, Chandigarh- 160017.
53. Government of Puducherry, Secretary, Department of Industries, Chief Secretariat, Puducherry.
54. Government of Odisha, Principal Secretary (Industries), Odisha Secretariat, Bhubaneswar — 751001 (Fax: 0671-536819/2406299).
55. Government of Madhya Pradesh, Chief Secretary, (Commerce and Industry), Vallabh Bhavan, Bhopal (Fax: 0755-2559974)
56. Government of Uttarakhand, Principal Secretary, (Industries), No. 4, Subhash Road, Secretariat, Dehradun, Uttarakhand
57. Government of Jharkhand (Secretary), Department of Industries Nepal House, Doranda, Ranchi — 834002.
58. Union Territory of Daman and Diu and Dadra Nagar Haveli, Secretary (Industries), Department of Industries, Secretariat, Moti Daman — 396220 (Fax: 0260-2230775).
59. Government of Nagaland, Principal Secretary, Department of Industries and Commerce), Kohima, Nagaland.
60. Government of Chattishgarh, Commissioner-cum-Secretary Industries, Directorate of Industries, LIC Building Campus, 2nd Floor, Pander, Raipur, Chhattisgarh (Fax: 0771-2583651).

Copy to: PPS to CS / Consultant to AS (SK) / PPS to JS(AK)/ PPS to Dir (SNS).

Supplementary Agenda II for the 103rd meeting of the Board of Approval to be held on 18th March, 2021 at 11:30 A.M. in Room No. 141, Udyog Bhawan, New Delhi

103.11 Request for setting up of new SEZ (one proposal)

103.11(i) Request of M/s. Bagmane Developers Private Limited for setting up of IT/ITES SEZ at Survey No.79(part), Doddanakundi Village, Doddanakundi Industrial Area, Bangalore, Karnataka over an area of 4.60 Hectares.

DC, Cochin SEZ has forwarded the above request of M/s. Bagmane Developers Private Limited. As per DoC's letter dated 07.01.2019 documents/conditions required for setting up of a Special Economic Zone in terms of the SEZ Act, 2005 and SEZ Rules, 2006 and the status thereof are as below: -

| S. No. | Conditions /Documents required | Status |
|--------------|--|--|
| A. | Documents required for setting up of SEZ in terms of Rule 3 of SEZ Rules, 2006: | |
| (i) | Completed Form-A (with enclosures) Total Proposed investment : Rs. 435.48 Crore FDI (in US \$) : Nil Source of FDI : Not Applicable Proposed Exports : Rs.423.36 Crore Employment (in Nos.) : 5 (Direct) 10,000 (Indirect) | Yes, <u>provided</u> |
| (ii) | DC's Inspection Report | Yes, <u>provided</u> signed by DC, JDC and Tahsildar Bangalore East Taluk. |
| (iii) | State Government's Recommendation | Yes, <u>provided</u> |
| (iv) | Recommendation for National Security Clearance (NSC) from Ministry of Home Affairs as per Rule 3 of SEZ Rules, 2006. | DC has certified and confirmed that the proposal does not require NSC from MHA. In this regard, a Copy of Undertaking submitted by the Developer has also been provided. |
| B. | Minimum area requirement in terms of Rule 5 of SEZ Rules, 2006. | No minimum area requirement for IT/ITES Sector. However, a built area of 50,000 Sq.Mtrs. is required for Category 'A' City. DC has stated that the Developer proposes to develop built-up area of 93,000 Sq.Mtrs. |
| C. | Details to be furnished in terms of Rule 7 of SEZ Rules, 2006: | |
| (i) | Certificate from the concerned State Government or its authorised agency stating that the Developer has: <ul style="list-style-type: none"> • Legal Possession, and • Irrevocable rights to develop the said area as SEZ and • That the said area is free from all encumbrance. | Legal Possession Certificate dated <u>01.01.2021</u> issued by KIADB and <u>Encumbrance Certificate</u> issued by Senior Sub-registrar, K.R Pura, Bangalore (along with a notarized copy) have been provided. The State Govt. of Karnataka vide letter dated 20.01.2021 has informed that the Developer has irrevocable rights to Develop the said area as SEZ. |
| (ii) | Whether the Developer has leasehold right over the identified area. The lease shall be for a period not less than twenty years. | DC has <u>stated</u> that the land for SEZ has been acquired by way of <u>Joint Development Agreement</u> dated <u>17.08.2017</u> executed between |

| | | |
|-------|---|---|
| | | <p>M/s. N C Gurumurthy Reddy & Brothers, a registered partnership firm and M/s. Bagmane Developers Pvt.Ltd, the Developer of SEZ. This Development Agreement has been registered with Registrar, Karanataka. Further the parties have entered into an Allocation agreement dated 04.03.2021, wherein the right to develop an SEZ in 4.60 hectares in Survey No.79(Part) has been given to M/s. Bagmane Developers Pvt. Ltd. The allocation agreement is not registered. BDPL has submitted an undertaking that the built-up area in the proposed SEZ location will be transferred to them on completion and they will execute a sale deed with the owner before 31.10.2021.</p> |
| (iii) | <p>The identified area shall be Contiguous, Vacant and No thoroughfare.</p> | <p>DC in his Inspection report has certified that the land is Contiguous, Vacant and has no thoroughfare in the identified area.</p> <p>Further, it is also informed that at present the developer is developing a building (75% of civil construction activity completed) on the land to be notified as SEZ. In this regard the developer has submitted CE certificate and undertaking that <u>no commercial activity being undertaken in the building and no fiscal benefits have been availed till date by BDPL with respect to construction of the aforementioned land/building.</u></p> <p>The State Govt. of Karnatka has also noted that the proposed land is contiguous and civil construction is in progress and completed around 50% of the building and there is no commercial activity is being undertaken in the said building .</p> |

Note: - In terms of Rule 2(zf) of the SEZ Rules, 2006, “Vacant Land” means the land where there are no functional ports, manufacturing units, industrial activities or structures in which any commercial or economic activity is in progress.

Recommendation of DC:

DC, Cochin SEZ has recommended the request of M/s. Bagmane Developers Private Limited for setting up of IT/ITES SEZ at Survey No.79(part), Doddanakundi Village, Doddanakundi Industrial Area, Bangalore, Karnataka over an area of 4.60 Hectares for the consideration of the BoA.

The request is placed before BoA for consideration.

103.12 Request for change in shareholding pattern (one proposal)

103.12(i) Request of M/s. RMZ Ecoworld Infrastructure Private Limited., Developer SEZ, for change in shareholding pattern due to composite scheme of arrangement.

M/s. RMZ Ecoworld Infrastructure Private Limited., was granted LoA No.F.2/91/2006-EPZ dated 15.06.2006 for setting up of a Sector specific SEZ for Information Technology and Information Technology

Enabled Services at Devarabeesanahalli, Bhoganahalli and Doddakannelli Village, Varthur Hobli, Bangalore East Taluk, Bangalore.

Details of shareholding pattern of the company are given below:

A. Current Shareholding Pattern of the Developer

The shareholding pattern of the Developer, as of the date of this application is as follows:

| Sl. No. | Shareholder | Type of Shares | No. of Shares | Face value per share | % |
|---------|---|-------------------|---------------|----------------------|------|
| 1. | RMZ Infotech Private Limited (and its nominees) | Equity Shares | 10,00,00,000 | 10 | 100% |
| | | Preference Shares | 5,70,00,000 | 10 | |
| | Total | | 15,70,00,000 | | 100% |

B. Proposed Transaction

1. The Board of Directors of the Developer in their meeting held on December 16, 2020, have approved a Composite Scheme of Arrangement amongst RMZ Infotech Private Limited (“RIPL”) and Thanatos India Private Limited (“TIPL”) and Developer (REIPL) and their respective shareholders and creditors under Sections 230 to 232 of the Companies Act, 2013 (“Scheme”).

2. The Scheme contemplates the following: -

a. Amalgamation of TIPL into RIPL;

i. In consideration for the aforesaid amalgamation, as on the Effective Date 1 (as defined in the Scheme), RIPL shall issue its equity shares to the shareholders of TIPL in the following manner:-

“The equity shareholders holding 8.6348 equity shares of TIPL having face value of Rs. 10 each fully paid-up would receive 1 equity share of Rs. 10 each fully paid-up in RIPL.”

ii. Transfer of compulsory convertible debentures and non-convertible debentures of TIPL to RIPL, as per the terms mentioned in the Scheme.

b. Demerger of the Demerged Undertaking (as defined in the Scheme) of RIPL to Developer (REIPL)

i. In consideration for the aforesaid demerger, upon effectiveness of the Scheme, Developer shall issue its equity shares to the shareholders of RIPL in the following manner: -

“The equity shareholders holding 3,885 equity shares of RIPL having face value of Rs. 10 each fully paid-up would receive 1 equity share of Rs. 10 each fully paid-up in Developer”

ii. Transfer of compulsory convertible debentures and non-convertible debentures of RIPL to Developer, as per the terms mentioned in the Scheme.

Developer has also submitted Chartered Accountant certified details of shareholding pattern of the developer as given below: -

Shareholding pattern of REIPL after proposed Scheme

As a result of the transactions contemplated by the said reorganization, the shareholding pattern of the Developer after the proposed demerger would be as follows:

| Sl. No. | Shareholder | Type of Shares | No. of Shares | Face value per share | % |
|---------|---|----------------|---------------|----------------------|--------|
| 1. | Millennia Realtors Private Limited (“MRPL”) | Equity Shares | 1,000 | 10 | 99.99% |
| 2. | BSREP III New York FDI I (DIFC) Limited (“BSREP”) | Equity Shares | 1 | 10 | 0.01% |
| | Total | | 1,001 | | 100.0% |

Subsequent to the above, it is then proposed to convert the Compulsorily Convertible Debentures (“CCD”) held by BSREP in Developer into equity shares, resulting in a shareholding pattern of the Developer as per the table below:

| Sl. No. | Shareholder | Type of Shares | No. of Shares | Face value per share | % |
|---------|-------------|----------------|---------------|----------------------|--------|
| 1. | MRPL | Equity Shares | 1,000 | 10 | 0.14% |
| 2. | BSREP | Equity Shares | 7,35,872 | 10 | 99.86% |
| | Total | | 7,36,872 | | 100.0% |

Post the conversion of CCD’s as above, it is proposed that MRPL will sell the shares held in the Developer to BSREP, resulting inter alia, in BSREP being a majority shareholder of the Developer as stated in the table below:

| Sl. No. | Shareholder | Type of Shares | No. of Shares | Face value per share | % |
|---------|---------------------------------|----------------|---------------|----------------------|------------|
| 1. | BSREP | Equity Shares | 7,36,871 | 10 | 99.99% |
| 2. | A Nominee or Affiliate of BSREP | Equity Shares | 1 | 10 | Negligible |
| | Total | | 7,36,872 | | 100% |

Reasons:

a. The scheme is approved by the Board of Directors for the following reasons:

i. The merger of TIPL into RIPL would create economies in administrative and managerial costs by consolidating operations and would reduce duplication of administrative responsibilities and multiplicity of records and legal and regulatory compliances.

ii. The demerger of Demerged Undertaking of RIPL into Developer will enable RIPL to focus and enhance its residual business operations by streamlining operations and consequently, ensuring better and more efficient management control, while

Developer would be enabled with direct ownership, better and more efficient management and control of the Demerged Undertaking and greater management focus on the Demerged Undertaking.

b. The proposed re-organization of the developer will be beneficial for the reasons given below:

i) BSREP is part of the Brookfield Asset Management Group which is a global alternative asset manager and is experienced in the development, operation and management of real estate. BSREP being the majority stakeholder of the Developer will be in a position to provide strategic inputs to further increase exports from the SEZ resulting in greater inflow of valuable foreign exchange.

ii) The transfer of ownership of Developer, subject to necessary approvals from the regulatory authorities, will help BSREP gain direct ownership in Developer, better and more efficient management and control of the company and greater management focus.

iii) The transfer of shares of Developer will not disrupt the seamless continuity of its SEZ activities.

Recommendations: In the 88th meeting held on 25.02.2019, in the case of change in shareholding pattern of M/s. Tanglin Developments Ltd (TDL) the BoA has noted that the proposal does not have relevant statutory approvals but still considered and granted approval for change in shareholding of M/s. Tanglin Developments Ltd (TDL) on a fully diluted basis pursuant to investment by M/s. BREP Asia II Indian Holding Co I (NQ) , Singapore through convertible debentures. The approval was granted subject to approval by relevant statutory body with certain conditions as mentioned in the Instruction no. 89.

The request of the developer, M/s. RMZ Ecoworld Infrastructure Pvt. Ltd is similar to the proposal of M/s. Tanglin Developments Ltd (TDL) may be considered subject to furnishing of NCLT order by the developer. Hence, “ *in principle*” approval for the Composite Scheme of Arrangement amongst RMZ Infotech Private Limited (RIPL) and Thanatose India Private Limited (TIPL) and Developer (REIPL) subject to furnishing of NCLT Order is recommended to the BOA as per the guidelines of Instruction no.89 & 90, dated 17.05.2018 and 03.08.2018 issued by SEZ Section, Ministry of Commerce & Industry.

Recommendation by DC:

DC, CSEZ has recommended the Request of M/s. RMZ Ecoworld Infrastructure Private Limited., Developer SEZ, for change in shareholding pattern due to composite scheme of arrangement.

The request is placed before BoA for consideration.
