

No. F.2/5/2018-SEZ
Government of India
Ministry of Commerce and Industry
Department of Commerce
(SEZ Section)

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Udyog Bhawan, New Delhi
Dated the 26th October, 2018

OFFICE MEMORANDUM

Subject: Supplementary Agenda for the (85th) Meeting of the Board of Approval on Special Economic Zones (SEZs) scheduled to be held on 2nd November, 2018 at 11.00 A.M in Room No. 108 Udyog Bhawan, New Delhi – Forwarding supplementary agenda thereof.

In continuation of this Department's O.M of even number dated 25th October, 2018 the undersigned is directed to forward herewith the **Supplementary Agenda** for the 85th meeting of the Board of Approval for SEZs scheduled to be held on 2nd November, 2018, for information and necessary action. Copy of the supplementary agenda has also been hosted on the website: www.sezindia.nic.in. The addressees located outside Delhi are requested to download the supplementary agenda from the above mentioned website.

2. The addressees are requested to make it convenient to attend the meeting.



(G. Srinivasan)

Under Secretary to the Government of India

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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. Joint Secretary, Department of Industrial Policy and Promotion, 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. Joint Secretary, (Justice-I), Department of Legal Affairs, M/o Law & Justice, New Delhi (Tel: 2338 3037).
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, Bhubaneshwar – 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, Pandri, Raipur, Chhattisgarh (Fax: 0771-2583651).

Copy to: PPS to CS / PPS to AS (BBS) / PA to DS (SNS).

**Supplementary Agenda for the 85th meeting of the Board of Approval to be held on
2nd November, 2018 at 11.00 A.M. in Room No. 108 , Udyog Bhawan, New Delhi**

Item no. 85.9: Proposals for renewal of LoP for plastic units (one proposal).

85.9(i) Proposal of M/s Plastic Processors & Exporter Pvt. Ltd. for renewal of LoA for next five years in terms of Rule 18(4) of SEZ Rules'06.

M/s. Plastic Processors & Exporter Pvt. Ltd. had been issued LoA dated 05/11/1997 for "*Plastic Agglomerates /Granules and Plastic Components and Articles*". The unit commenced its export production w.e.f. 15/04/1998 and its LOA is valid till 29/11/2018.

The unit vide its letter dated 24/08/2018 has requested to renew their LOA for another five years. Details of unit and its LOA renewal request are as under:

Name and Location	:	M/s. Plastic Processors & Exporter Pvt. Ltd. Plot No. 24A																															
LoA Date Authorized operations	:	05/11/1997 Plastic Agglomerates /Granules and Plastic Components and Articles																															
Date of Commencement LoA valid upto	:	15/04/1998 29/11/2018																															
FOB value of Export & NFE in next five years	:	<table><tr><td>FOB value of Export</td><td>:</td><td colspan="2">Rs. 34125.00 Lakhs</td></tr><tr><td>Forex Outgo</td><td>:</td><td colspan="2">Rs. 22190.00 Lakhs</td></tr><tr><td>NFE Earning</td><td>:</td><td colspan="2">Rs. 11935.00 Lakhs</td></tr></table>				FOB value of Export	:	Rs. 34125.00 Lakhs		Forex Outgo	:	Rs. 22190.00 Lakhs		NFE Earning	:	Rs. 11935.00 Lakhs																	
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NFE Earning	:	Rs. 11935.00 Lakhs																															
Projected details of Indigenous and Imported materials	:	<table><tr><td rowspan="2">Capital Goods</td><td rowspan="2">:</td><td>Imported</td><td>Rs. 1120 Lakhs</td></tr><tr><td>Indigenous</td><td>Rs. 200 Lakhs</td></tr><tr><td rowspan="2">Raw Materials, Consumables, Packing materials and Spares</td><td rowspan="2">:</td><td>Imported</td><td>Rs. 21020 Lakhs</td></tr><tr><td>Indigenous</td><td>Rs. 57.60 Lakhs</td></tr></table>				Capital Goods	:	Imported	Rs. 1120 Lakhs	Indigenous	Rs. 200 Lakhs	Raw Materials, Consumables, Packing materials and Spares	:	Imported	Rs. 21020 Lakhs	Indigenous	Rs. 57.60 Lakhs																
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		Indigenous	Rs. 57.60 Lakhs																														
Annual performance of the unit in the last five year. (as per APRs submitted by the unit)	:	<div>Values In Rs. Lakhs</div> <table><tr><th>Year</th><th>Export</th><th>Forex Outgo</th><th>NFE Earning</th></tr><tr><td>2013-14</td><td>0.00</td><td>0.00</td><td>0.00</td></tr><tr><td>2014-15</td><td>0.00</td><td>0.00</td><td>0.00</td></tr><tr><td>2015-16</td><td>0.00</td><td>0.00</td><td>0.00</td></tr><tr><td>2016-17</td><td>0.00</td><td>0.00</td><td>0.00</td></tr><tr><td>2017-18</td><td>702.16</td><td>593.88</td><td>108.28</td></tr><tr><td>Total</td><td>702.16</td><td>593.88</td><td>108.28</td></tr></table>				Year	Export	Forex Outgo	NFE Earning	2013-14	0.00	0.00	0.00	2014-15	0.00	0.00	0.00	2015-16	0.00	0.00	0.00	2016-17	0.00	0.00	0.00	2017-18	702.16	593.88	108.28	Total	702.16	593.88	108.28
Year	Export	Forex Outgo	NFE Earning																														
2013-14	0.00	0.00	0.00																														
2014-15	0.00	0.00	0.00																														
2015-16	0.00	0.00	0.00																														
2016-17	0.00	0.00	0.00																														
2017-18	702.16	593.88	108.28																														
Total	702.16	593.88	108.28																														
The value of foreign exchange pending for realisation	:	Nil.																															

As per the information received from NSDL, unit has made following sales during 2017-18 and 2018-19:

Year	Exports	DTA Sale under Rule 53
2017-18	Nil	Rs. 7,57,25,847/-
2018-19 (April – June)	Rs. 9,67,190/-	Rs. 8,26,59,195/-

Further, Ministry of Commerce vide its letter dated 13/02/2018 has informed that they have receiving several representations from existing SEZ units engaged in recycling of plastic scrap or waste in SEZs that the physical export obligations laid down in para 3(x) of the communication dated 17/09/2013 are unachievable. On examination of the matter, it has been decided to replace with immediate effect, para3(x) of the aforesaid communication as under:

“To ensure that plastic processing units in SEZ fulfill their export obligations, in addition to meeting their NFE obligation, all such units would be required to export not less than 35% of the total annual turnover.”

Unit has also made following submissions:

- (i) That presently, they employ around 600 unskilled workers, directly or indirectly, most of whom are females at their unit. They have also employed around 15 skilled worker in their unit. They have generated such huge employment in a very short period after restarting their operations in November, 2017. The employment will increase to 1200 workers, once they achieve the full production capacity.
- (ii) That their management intends to import state of the art extrusion plants for manufacturing plastic granuels from imported plastic waste. This will help them in meeting their export targets.
- (iii) That their unit is also paying substantial amount of indirect taxes in form of custom duty and IGST for clearance in DTA, thus contributing to the exchequer of Central Government.
- (iv) Recently they have received export enquiries from overseas buyers for export of their products. But they are unable to enter into any firm long term contract, because their LOA will expire on 30/11/2018.

It may be mentioned that LOA of the unit was earlier valid till 30/11/2013. LOA of the unit was last renewed vide this office letter dated 12/04/2016 for the period upto 29/11/2018 after **approval of BOA granted in its meeting held on 23/02/2016**. The said permission was subject to following conditions:

- a) All conditions stipulated as per DOC's policy Guidelines of 17th September, 2013 are to be made applicable while granting such approval.
- b) Since the unit is not functional and only two years remain in the current LOP, the export obligation for this period would be as per DOC Policy guidelines No. C.6/10/2009-SEZ dated 17.09.2013 for the first and second year. Any violation of the above prescribed Minimum Physical Export Obligation at the end of 2nd year would lead to imposition of penalty and cancellation of the unit's LOP. At the end of 2nd year export obligation was to the export of 40% i.e. Rs. 3,34,50,554/-. Against this, unit has done export of Rs. 9,67,190/- only as per NSDL data.
- c) As per Rule 18(4)(b) of the SEZ Rules, no approval for enhancement of the approved import quantum of plastic waste and scrap beyond the average annual import quantum of the unit since its commencement of operation shall be granted.

- d) The authorized operations may be restricted to the unit to carry out the business of recycling of plastic.

It may further be mentioned here that unit has filed a case W.P.(C) No. 708 of 2018 before High Court of Allahabad inter alia prayed following:

- A. *Issue a writ, order or direction in the nature of certiorari quashing Circular Letter dated 13.02.2018 issued by Respondent No. 2 [Director (SEZ), Ministry of Commerce & Industry, Department of Commerce (SEZ Division)], by which amendment has been made to Circular Letter dated 17.09.2013, which has already been quashed by Hon'ble Gujarat High Court in the case of Imperial Overseas Pvt. Ltd. vs. Union of India 2017 (350) ELT 359 (Guj);*
- B. *Issue a writ, order or direction in the nature of certiorari quashing the Internal Memo dated 23.03.2018 issued by Respondent No. 4 (Asstt. Development Commissioner, NSEZ) and Letter dated 04.04.2018 issued by Respondent No. 3 (Dy. Commissioner (Customs), NSEZ, Noida), which have been issued pursuant to the Circular Letter dated 13.02.2018 issued by Respondent No. 2;*
- C. *Issue a writ, order or direction in the nature of mandamus commanding Respondents, their agents and servants to not to stop DTA clearances by Petitioner against payment of foreign exchange and appropriate custom duties, which is permissible in terms of Section 30 r/w Rule 47 & 53 of the SEZ Rules, 2006.*

However, as per web enabled court case monitoring system of Hon'ble High Court of Allahabad, the next date of hearing has been listed on 25/10/2018. Further, Hon'ble High Court of Allahabad has also decided that the operation of the impugned Circular dated 13/02/2018 (amendment to Policy Circular dated 17/09/2013) shall remain stayed so far as petitioner is concerned.

7. As per Rule 18(4) of the SEZ Rules,

“No proposal shall be considered for— (a) recycling of plastic scrap or waste:

Provided that extension of Letter of Approval for an existing Unit shall be decided by the Board”;

Recommendation by DC:

DC, NSEZ has recommendation as under:-

- (i). Since there may be many such LOAs issued for recycling of plastic scrap waste in other SEZs also where extension will be due, a uniform view may be taken in consultation with all stake holders.
- (ii). After amendment in Rule 53 of SEZ Rules vide notification dated 19/09/2018, provision for supply in DTA against EEFC account for the purpose of NFE calculation has been done away with. Units granted LOA for recycling of plastic waste are doing mainly supplies in DTA against EEFC account. Therefore, while considering extension of LOA, this aspect may also be kept in view as to how these units will meet NFE criteria.
- (iii). The conditions subject to which extension of LOA is granted, those conditions may be made part of the LOA and may be decided after giving personal hearing

to unit, so as to minimize the scope for litigation against imposition of conditions which may be prescribed by BOA.

The request of the unit is placed before BoA for consideration.

Item No. 85.10 : Request for co-developer (one proposal)

84.10 (i) Request of M/s. Anomalous Infra Pvt. Ltd. for co-developer status for construction, operation & maintenance and leasing of new two warehouses at Arshiya-FTWZ, SEZ, Raigad, Maharashtra for an area of 2.30 hectares.

M/s. Anomalous Infra Pvt. Ltd. (a subsidiary company of Arshiya Limited) has submitted a proposal for becoming a co-developer in the aforesaid SEZ for construction, operation & maintenance and leasing of new two warehouses over an area of 2.30 hectares. M/s Arshiya FTWZ stands notified over an area of 68 Hectares. The developer has also granted permission for additional sector viz. Electronics Hardware and Software (including ITES). The notified area of FTWZ is 57.045 hectares.

The developer has also stated that they have developed FTWZ on an area of 47 hectares (approx) and operational since August, 2010 and the IT-SEZ is to be developed on an area of 10 hectares (approx.)

The company is promoted by Mr. Ajay Mittal and Mrs. Archana Mittal.

(i) Cost of Project of M/s. Anomalous Infra Pvt. Ltd.

S. No.	Particulars	Estimated Cost (rs. in crores)
1.	Construction of Two Warehouses with Green effect and Solar Panels	42.75
2.	Electricals and Fire Safety fittings	8.25
3.	Pavements	3.75
4.	Cost of land (2.30 Ha Approx)	12.00
5.	Furniture & Fixtures in Office Block	3.00
6.	Finance Cost (interest during project & Financing Cost)	5.25
7.	Preliminary and Pre-operative expenses	5.50
	Proposed Project Cost	80.50

(ii) Projected Profitability for 5 years of M/s. Anomalous Infra Pvt. Ltd.

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Income						(Rs. in cores)
Rentals from unit/entrepreneur	36.00	39.60	43.56	47.95	52.71	219.78
Other Misc. Income	3.60	3.96	4.36	4.79	5.27	21.98
Total Income	39.60	43.56	47.92	52.71	57.98	241.76

Expenditure						
Lease Rental to Developer	25.92	28.51	31.36	34.50	37.95	158.24
Employment Cost	1.50	1.65	1.82	2.00	2.20	9.16
Administrative & Contingencies	0.75	0.83	0.91	1.00	1.10	4.58
Utilities, Repairs & Maintenance	2.25	2.48	2.72	2.99	3.29	13.74
Finance cost	1.25	1.38	1.51	1.66	1.83	7.63
Total expenditure	31.67	34.84	38.32	42.15	46.37	193.35
Profit Before tax	7.93	8.72	9.60	10.55	11.61	48.41

(iii) Details of the Net Worth of Promoters are as follows:-

Name	Net Worth (Rs. In cores)
Mrs. Archanan A. Mittal	463.43
Mr. Ajay S. Mittal	5.09

(iv) Details of Shareholding pattern of M/s. Anomalous Infra Pvt. Ltd.

S. No.	Name of the Shareholders	Number of Shares	Amount per share (in Rs.)
1.	Arshiya Limited alongwith Vinod Parekh	9900	99000
2.	Mr. Navnit Choudhary	100	1000
	Total	10,000	1,00,000

It is also stated there are at present following co-developer have been granted Formal Approval by MOC:-

- (i) M/s. Arshiya Rail Siding and Infrastructure Ltd. for operation & maintenance of 6 warehouses.
- (ii) M/s. Arshiya Lifestyle Ltd.- Construction, operations and maintenance of 5 warehouse.
- (iii) M/s. Laxmipati Balaji Supply Chain Management for distribution of utilities (Electricity and water supply)

DC, SEEPZ has stated that on going through the records, it was noticed that earlier M/s. Arshiya Ltd. and M/s. Arshiya Lifestyle Ltd. had entered into co-developer agreement on 09.03.2017 for construction and maintenance of 5 warehouses on 12.80 acres of land within the scheduled area mentioned in the present co-developer agreement with M/s. Anomalous Infra Pvt. Ltd. The total area notified for FTWZ was mentioned as scheduled area in the co-developer agreement. The developer has now on 22.10.2018 ~~has~~ submitted the Addendum to co-developer Agreement rectifying the Survey Numbers.

Recommendation by DC:

DC, SEEPZ SEZ has recommended the proposal.

The request of the co-developer is placed before BoA for consideration.

Item No. 85.11 : Miscellaneous Cases (3 proposals)

85.11(i) Request of M/s. BSR Builders LLP a setting up of sector specific SEZ for IT/ITES at Sy. No. 141 & 142, Nanakramguda Village, Serilingampally Mandal, Ranga Reddy District, Telangana, for increase an area of 1.684 hectares.

The above mentioned SEZ stands notified over an area of 1.16 hectares.

The developer has requested for addition of an area of 1.684 hectares, thereby making the total area of SEZ after addition will be increased to 2.844 hectares (more than 10% original area).

The Government of Telangana has recommended the proposal.

Recommendation by DC

DC, VSEZ has recommended the proposal.

The proposal of the developer is placed before BoA for consideration

85.11(ii) Request of M/s. ATS Savvy Developers LLP, Ahmedabad for notifying additional area for the Free Trade Warehousing Zone a Multi Services SEZ at Ratanpur, District Gandhinagar, Gujarat developed by M/s. GIFT SEZ Ltd.

M/s. ATS Savvy Developers LLP, Ahmedabad was granted co-developer status on 05.12.2015 for construction development, maintenance and operation of SEZ building for units to undertake export of services in the processing area of SEZ over an area of 400000 sq.ft BUA within GIFT-SEZ.

Subsequently, M/s. ATS Savvy Developers LLP was approved for FTWZ in an area of 1337.5 sq.m on the ground floor of building under construction for storage/B2B display area for high value commodities like bullion/diamonds etc. and for tech laboratory and medical Instrumentation, pharma/fashion industry products, international at auctions/art investment/art/art trade/artwork storage in the processing area.

Now, M/s. ATS Savvy Developers has requested for additional area for FTWZ operations by 1643.607 sq.m on the first floor of the building within the multi services SEZ over and above the approved area of FTWZ on the ground floor.

Since GIFT Multi Services SEZ is functional, the co-developer M/s. ATS Savvy Developers LLP has stated they have been approached by some of the services industry based operators like international trading, indenting, merchant trade/merchant exporters and industry to have world class infrastructure and space for showcasing and display of products at SEZ. Thus, they are seeking approval for additional area of 1643.607 sq.m on

the first floor of the building within the multi services SEZ over and above the approved area of FTWZ on the Ground Floor.

Recommendation by DC:

No recommendation of DC, KASEZ is available.

The proposal of the co-developer is placed before BoA for consideration.

85.11(iii) Request of M/s. The Manjri Stud Farm Pvt. Ltd.(TMSFPL), a sector specific SEZ for IT/ITES at Pune, Maharashtra for the following:-

- 1. Approval for demerger of SEZ undertaking forming part of the IT/ITES SEZ being developed by the Manjri Stud Farm Pvt. Ltd. (TMSFPL) in Pune to Manjri Developers Pvt. Ltd.(MDPL). The Developer has obtained the NCLT order dated 29.8.2018 in respect of de-merger of SEZ undertaking. Developer will continue to operate on going concern basis.**
- 2. Approval for co-developer status to the de-merged company M/s. Manjri Developers Private Limited (MDPL).**

The Manjri Stud Farm Pvt. Ltd.(TMSFPL), a sector specific SEZ for IT/ITES at Pune, Maharashtra was notified on 11.04.2007 over an area of 15.79 hectares.

The Manjri Stud Farm Private Limited (TMSFPL), has requested for approval of de-merger of M/s. Manjri Developers Private Limited over an area of 90,254.41 sqm. The TMSFPL has obtained the NCLT order dated 29.08.2018 i.r.o. de-merger of SEZ undertaking. Shareholder of MDPL and TMSFPL are same and post the demerger MDPL will issue shares to common shareholder Strand. Under demerger approved FSI of 2.47 million sq ft for which premium is already paid, will be transferred to MDPL.

Further, TMSFPL has also requested for approval of Co-developer status to M/s MDPL over an area of 90254.41 SqM. There is a steady demand for SEZ in the Pune region and current supply is moderate, based on which Management of TMSFPL and MDPL are of view that there is robust demand for proposed Phase 1 SEZ development of 1.12 million sq ft. Further the leasing achieved in of development 1.88 million sq ft adds on to the confidence.

TMSFPL have already developed 1.88 million sq ft of IT / ITES SEZ for the IT clients wish to introduce MDPL as co-developer which can concentrate its resources towards development balance SEZ. MDPL which is proposed as co-developer pre and post demerger is co-subsiary of TMSFPL. MDPL proposed to further invest INR 400 cr as construction finance within next 3 – 4 years and total investment would be INR 1,000 Crores. The nature of construction finance is funded based on the development of the project. Further assets of MDPL along with land FSI will be mortgaged to Bank, which will be sufficient cover to grant loan. Further all the future receivable will also will be mortgaged with Bank which provide addition assurance for the recoverability post the completion of the project.

The net worth of MSF based on audited accounts of March 31, 2017 is INR 248 crores. There has been upswing the rental for IT / ITES SEZ space, which they believe will add additional comfort to Bank / Financial institution to extend construction finance to MDPL for development of 1.12 million sq ft.

Co-developer agreement has not been furnished. However, the company has referred arrangement made between developer and co-developer as co-developer agreement.

Recommendation by DC:

In view of the above facts and information explained, DC, SEEPZ SEZ has recommended the following:-

- (i) Request for approval for the demerger of SEZ undertaking forming part of the IT/ITES SEZ being developed by the Manjri Stud Farm Pvt. Ltd.(TMSFPL), Pune to M/s. Manjri Developers Private Limited(MDPL).
- (ii) Application for the approval of Co-Developer to M/s. Manjri Developers Private Limited(MDPL).

The proposal is placed before BoA for consideration.
