

Minutes of the 24th Meeting of the Approval Committee for Sector Specific Special Economic Zone of Power of **M/s. Sai Wardha Power Generation Ltd. – SEZ** under the Chairmanship of Development Commissioner, SEEPZ-SEZ held on **28.09.2020** on Video Conferencing through Cisco Webex Application.

.....

1. Name of the SEZ : M/s. Sai Wardha Power Ltd.
2. Sector : Power Sector
3. Meeting no : 24
4. Date : 28.09.2020.

Members Present:

1. Shri. C. P. S Chauhan : Member
Jt. Development Commissioner,
SEEPZ-SEZ
2. Shri. Rohit Kumar : Nominee of Income Tax, Mumbai.
Addl. Commissioner Income Tax
3. Shri. Satish Das : Nominee of Commissioner of Customs.
Asstt. Commissioner Customs Mumbai
4. Smt. Ashwini Waghmare : Nominee of Directorate of Industries,
Industries Inspector Mumbai.

Agenda Item No. 1: Confirmation of Minutes of the meeting held on 17.03.2020.

The Minutes of the 23rd meeting held on 17.03.2020 were confirmed with consensus.

Agenda Item No. 2: Application of the unit for change in shareholding pattern and change in directors - M/s. Sai Wardha Power Generation Ltd.

The unit has submitted the proposal for approval of change in shareholding pattern and change in board of directors of the company i.e. M/s. Sai Wardha Power Generation Ltd. The details are as under:



(A) The shareholding pattern of the company after NCLT order is as follows:

| Name of Shareholders | No of Shares @ Rs. 10/- each | Premium Amount per shares (in Rs.) | Total amount paid (including premium) (in Rs.) | Percentage holding |
|--|------------------------------|------------------------------------|--|--------------------|
| Sri City Private Limited | 51,00,000 | Nil | 5,10,00,000 | 89.9% |
| KCR Enterprise LLP | 5,66,662 | 76.47 | 4,89,99,263 | 11.1% |
| iLabs Hyderabad Technology Centre Private Limited | 1 | 76.47 | 86.47 | |
| Chintalapati Capital Holdings LLP | 1 | 76.47 | 86.47 | |
| Skanda Aerospace Private Limited | 1 | 76.47 | 86.47 | |
| Sri Power Private Generation (India) Private Limited | 1 | 76.47 | 86.47 | |
| Peepul Capital Financial Services Private Limited | 1 | 76.47 | 86.47 | |
| Total No. of Equity Shares | 56,66,667 | | 10,00,00,000 | 100% |

(B) List of Directors of the Company after the NCLT order is as follows:

| Sr. No. | Name of Director | Designation | Address |
|---------|--------------------------|---------------------|--|
| 1 | Vikas Gupta | Whole-time Director | 8-1-307/3 and 8 E Block, Flat no. 706, Aditya Empress Towers, Shaikpet, Golconda, Hyderabad, Telangana - 500008. |
| 2 | Harish Battu | Director | 2-10-1476, Jyothinagar, Karimnagar, Telangana - 505001. |
| 3 | Akila Chandrasekhar Raju | Director | #29, 15 th Cross Road, Next to Bharat Cooperative Bank, 3 rd Block, Jayanagar, Bangalore. |

The said proposal was kept pending on the request of the SO, who informed that the matter is pending at NCLAT. Now SO, vide letter dated 15.09.2020 has given no objection in the matter stating that they have issued No Dues certificate for exit of the unit.

Decision: - After deliberation, the Committee **approved** the proposal of the unit for change in shareholding pattern and change in board of directors of the company as per NCLT order dated 17.10.2019.

Agenda Item No. 3: Application of the unit for monitoring of performance for exit from SEZ scheme - M/s. Sai Wardha Power Generation Ltd.

The unit has requested for final exit from the SEZ scheme vide letter dated 22.01.2020. The unit has commenced their production w.e.f. 05.06.2010 and the LOA was valid upto 04.06.2020. However, temporary extension was granted to the unit upto 20.09.2020.

The unit has achieved negative NFE for the 1st block period i.e. 2010-11 to 2014-15 of (Rs. 86,869.49) Lakhs and 2nd Block period i.e. 2015-16 to 2019-20 of Rs. 68,508.34) Lakhs on cumulative basis.

A SCN dated 29.05.2017 for achieving negative NFE of Rs. 30211.58 lakhs for the period 2015-16 and 2016-17 on cumulative basis was issued. However, the correct NFE value now is - Rs 28,956.42 lakhs (after rectification of the value of capital goods) i.e. a difference of Rs. 1,255.16 lakhs.

Thereafter, order-in-original dated 19.06.2017 was issued in the matter of:

1. SCN for the period 2010-11 to 2014-15 dated 06.06.2016.
2. SCN for the period 2015-16 and 2016-17 dated 29.05.2017.

A penalty of Rs. 10,00,000 (10 Lacs) was imposed for not achieving positive NFE under Section 11(2) of the Foreign Trade (Development and Regulation) Act, 1992. The same was paid by the unit.

Further, show cause notice dated 26.05.2020 was issued to the unit for achieving negative NFE of Rs. 55,061.46 lakhs for the period 2015-16 to 2018-19. However, the correct NFE value for the period 2015-16 to 2018-19 is (Rs. 55,489.92) lakhs i.e a difference of (Rs. 428.46 lakhs). The said SCN was kept in abeyance on the request of the unit as they desired to include the remaining period also.


Decision: - After deliberation, the Committee noted that the Unit has reported negative NFE for the period i.e. 2015-16 to 2019-20 of (Rs. 68,508.34) lakhs on cumulative basis and for the period i.e. 2020-21 (upto August 2020) of Rs. (966.11) lakhs.

Thus, it was decided to take penal action under FTDR Act for violation of provisions of SEZ Act and Rules as the Unit has decided to exit from SEZ scheme and

availed amortization of Capital goods otherwise the NFE would have been NIL due to no activity in the last 3 years.

Approved by Chairman.

Self
Chairperson-cum-
Development Commissioner


1/1/20