

SPECIAL ECONOMIC ZONE

SEEPZ-SEZ.

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AGENDA

Meeting of the Approval Committee of Special Economic Zone for Power of M/s. Sai Wardha Power Generation Ltd. - SEZ.

VENUE : Conference Hall, BFC Building, 2nd Floor, Behind the Office of the Development Commissioner, SEEPZ-SEZ, Andheri (East), Mumbai - 400 096.

DATE : Thursday, 27th February, 2020.

Meeting of the Unit Approval Committee of Special Economic Zone for Power of M/s. Sai Wardha Power Generation Ltd. - SEZ under the Chairmanship of Development Commissioner, SEEPZ-SEZ on Thursday, 27th February, 2020.

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Agenda Item No.	Subject
Agenda Item No. 01 : -	Confirmation of minutes of the meeting held on 26.05.2017.
Agenda Item No. 02 : -	Application of the unit for change in shareholding pattern and change in directors - M/s. Sai Wardha Power Generation Ltd. - SEZ.
Agenda Item No. 03 : -	Application of the unit for monitoring of performance for exit from SEZ scheme - M/s. Sai Wardha Power Generation Ltd. - SEZ.

Minutes of the Meeting of the Approval Committee held under the Chairmanship of Joint Development Commissioner for Sector Specific Special Economic Zone for Power Sectorat Warora, District Chandrapur of M/s. Sai Wardha Power Company Pvt. Ltd. held on 26.05.2017.

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1. Name of the SEZ : M/s. Sai Wardha Power Ltd. Dist. Chandrapur.
2. Sector : Power Sector.
3. Meeting no : 21
4. Date : 26.05.2017

Members Present:

1. Shri. Pravin Chandra : Chairperson.
Jt. Development Commissioner
SEEPZ-SEZ (Pune Cluster)
2. Shri. C.L.Hedaco : Nominee of Jt. Director General Foreign
FTDO Trade, Pune.
3. Shri. P.R. Sonar : Nominee of the Central Excise.
Superintendent Pune- I.
4. Shri. Mahesh Gorhe : Nominee of Income Tax Officer
Income Tax Officer Pune.
5. Shri. M.M. Gaikwad : Nominee of Joint Director of Industries,
Industries Inspector Pune.

Agenda Item No. 1: Confirmation of Minutes of the meeting held on 21.04.2017.

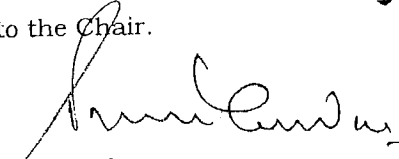
Minutes of the 20th Meeting held on 21.04.2017 were confirmed.

Agenda Item No.2: Application for Monitoring of Performance for the second year of the 2nd Block i.e. 2016-17, where the Unit has achieved negative NFE - M/s. Sai Wardha Power Ltd.

The committee noted, that the unit has achieved Negative NFE on yearly basis, based on the Annual Performance Report for the period 2016-17 also UAC in its 20th meeting held on 21.04.2017 noted that the unit had achieved Negative NFE on yearly basis, based on the Annual Performance Report for the period 2015-16 .

After deliberation, the committee decided to issue Show Cause Notice to the unit for achieving negative NFE for 2015-16 and 2016-17.

The Meeting ended with the vote of thanks to the Chair.


Chairperson-cum-
Joint Development Commissioner

**GOVERNMENT OF INDIA,
OFFICE OF THE DEVELOPMENT COMMISSIONER,
SEEPZ SPECIAL ECONOMIC ZONE,
ANDHERI (EAST), MUMBAI**

AGENDA NOTE FOR CONSIDERATION OF APPROVAL COMMITTEE

a) Proposal:

Application for change in shareholding pattern and change in directors of the company – M/s. Sai Wardha Power Generation Limited.

b) Specific Issue on which decision is required:

Approval for change in shareholding pattern and change in directors of the company.

c) Relevant Provision:

i) Instruction No. 89 dated 17.05.2018 issued by MoC&I:-

“Re-organization including change of name, **change of shareholding patterns**, business transfer arrangements, court approved mergers and demergers, change of constitutions of Units located in SEZs **may be undertaken with the prior approval of Approval Committee** in respect of Units subject to the condition that the Unit shall not opt out or exit out of the Special Economic Zone and continues to operate as a going concern. All liabilities of the unit will remain unchanged on such reorganization”.

ii) Instruction No. 90 dated 17.05.2018 issued by MoC&I:-

“Prior Approval of Board of Approval (BOA)/Unit Approval Committee(UAC)’ in Para 5(i) & (ii) of the said guidelines in respect of Developer/SEZ Units means that approval of BOA/UAC, as the case may be, taken before the SEZ entity/unit is recognized by the new name or such arrangement in all the records, It may not be interpreted that prior approval of BOA/UAC is to be taken before approaching the Registrar of Companies or the National Company Law Tribunal as is being done in some cases came to the notice of this Department”

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d) Other Information:

The unit was granted LOA no. SEEPZ/NEWSEZ/WARDHA-CHNDPR/01/LOA-01/2008-09/7700 dated 01.10.2008 for manufacturing of electrical energy in sector specific SEZ for power sector at Warora Growth Centre, Warora, Chandrapur. The unit has commenced their production activity w.e.f. 05.06.2010. The LOA is valid up to 04.06.2020.

The unit vide letter dated 13.02.2020 has requested for approval of change in shareholding pattern and change in directors of the company post NCLT order dated 17th October, 2019.

Below are details of change in shareholding pattern and directors:

(A) The shareholding pattern of the company before NCLT order was as follows:

Sr. No.	Name of the Shareholder	No of shares held	Percentage holding
Class 'A' Equity Shares			
1	Mahindra & Mahindra Limited	33,61,043	0.83%
2	Mahindra CIE Automotive Limited	32,72,595	0.81%
3	Mahindra Vehicle Manufacturers Limited	12,38,279	0.31%
4	Mahindra Sanyo Special Steel Private Limited	61,91,395	1.53%
5	Lupin Limited	30,07,237	0.75%
6	Bekaert Industries Private Limited	24,76,558	0.61%
7	Hindalco Industries Limited	28,30,352	0.70%
8	ACG Associated Capsules Private Limited	14,15,176	0.35%
9	Asahi India Glass Limited	9,72,934	0.24%
10	Inox Air Products Private Limited	17,68,970	0.44%
11	Pudumjee Paper Products Limited	15,92,073	0.39%
12	Owens Corning (India) Private Limited	18,57,418	0.46%
13	Hindustan Petroleum Corporation Limited	77,83,468	1.93%
14	Bharat Petroleum Corporation Limited	22,99,661	0.57%
15	Viraj Profiles Limited	2,32,98,938	5.77%
16	Graphite India Limited	24,76,558	0.61%
17	Facor Steels Limited	8,84,485	0.22%
18	Sona Alloys Private Limited	14,15,176	0.35%
19	Air Liquide India Holding Private Limited	10,61,382	0.26%
20	Bebitz Flanges Works Private Limited	2,65,346	0.06%
21	Orchid Chemicals & Pharmaceuticals Limited	7,07,588	0.18%
22	Mahalaxmi TMT Private Limited	78,87,669	1.95%
23	India Steel Works Limited	10,61,382	0.26%
24	Spentex Industries Limited	29,83,716	0.74%
25	Ramsons Industries Limited	11,49,830	0.28%
26	Ramsons Castings Private Limited	8,84,485	0.22%

27	AYM Syntex Limited	7,07,588	0.17%
28	R.L. Steels & Energy Limited	26,53,455	0.66%
29	KSK Energy Ventures Limited	1,75,72,061	4.35%
TOTAL : Class 'A' Equity Shares		10,50,76,818	26.00%
Class 'B' Equity Shares			
1	IDBI Trusteeship Services Limited (For 13,41,60,000 equity shares DPID- IN300450&Client ID-11069332)	20,61,11,475	51.00%
2	KSK Electricity Financing India Private Limited	9,29,51,850	23.00%
3	Mr. K. Satya Prakash	1	0
4	Mr. M.S.Phanisekhar	1	0
5	Mr. B.Kalyan Chakravarthy	1	0
TOTAL : Class 'B' Equity Shares		29,90,63,328	74.00%
(I) TOTAL EQUITY: Class 'A' & 'B' Equity Shares		40,41,40,146	100%
0.01% Class 'A' Redeemable Preference Shares			
1	Graphite India Limited	31,23,442	8.50%
2	Mahindra Hinoday Industries Limited (now amalgamated with Mahindra CIE Automotive Limited)	22,31,030	6.07%
3	Mahindra & Mahindra Limited	10,38,957	2.83%
4	Mahindra Vehicle Manufacturers Limited	15,61,721	4.25%
5	Air Liquide India Holding Private Limited	13,38,618	3.64%
6	Mahindra Sanyo Special Steel Private Limited	78,08,605	21.25%
7	Mahindra CIE Automotive Limited (formerly known as Mahindra Forgings Limited)	11,15,515	3.04%
8	KSK Energy Ventures Limited	1,85,22,399	50.41%
(II) TOTAL		3,67,40,287	100%
0.01% Class 'B' Cumulative Redeemable Preference Shares			
	KSK Electricity Financing India Private Limited	2,11,90,000	58.79%
	KSK Energy Ventures Limited	1,48,50,769	41.21%
(III) TOTAL		3,60,40,769	100%
0.01% Cumulative Redeemable Preference Shares			
	KSK Electricity Financing India Private Limited	15,00,31,236	100%
(IV) TOTAL		15,00,31,236	100%
15% Cumulative Redeemable Preference Shares			
	KSK Energy Ventures Limited	12,90,00,000	60.87
	Sai Regency Power Corporation Private Limited	8,29,30,000	39.13
(V) TOTAL		21,19,30,000	100%
(VI) TOTAL PREFERENCE SHARES (II+III+IV+V)		43,47,42,292	
TOTAL PAID UP SHARE CAPITAL (I + VI)		83,88,82,438	

(B) 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%

(C) List of Directors of the company before NCLT order was as follows:

Sr. No.	Name of Director	Designation	Address
1.	Kishore Sethuraman	Director	1-2-593, B-3, Soubhagya Apartments, Domalguda, Hyderabad – 500029.
2.	Venkatesh Subramanian	Director	7-1-39, Flat No. 602, Sri Niketan Aparments, Shyam Karan Road, Ameerpet, Hyderabad – 500016, Telangana.
3.	Alankrita Soni	Independent Director	F-68, Gamma-1, Greater Noida, Kasna Gautam Buddha Nagar, Uttar Pradesh – 201310.

(D) 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.

In this connection, the unit has provided the following documents:

1. A Copy of the NCLT Order approving the Resolution Plan submitted by the Resolution Professional dated 17th October 2019.
2. A copy of certificate of incorporation of M/s. Sai Wardha Power Generation Limited.
3. A copy of Memorandum of Association and Articles of Association of M/s. Sai Wardha Power Generation Limited.
4. Copy of PAN, IEC and GST registration certificate of M/s. Sai Wardha Power Generation Limited.
5. A copy of List of Directors of M/s. Sai Wardha Power Generation Limited.
6. Copy of ID/Address Proof of the Directors of M/s. Sai Wardha Power Generation Limited.
7. Copy of LOA of the unit.
8. Copy of the minutes of the Sixth Steering Committee.

e) ADC Recommendation:

The proposal of the unit for change in shareholding pattern and list of directors of the company is placed before the Approval Committee in terms of Instruction no. 89th dated 17th May, 2018 read with Instruction no. 90th dated 3rd August, 2018 issued by MoC&I and Rule 19(2) of SEZ Rules, 2006 for consideration.

**GOVERNMENT OF INDIA
OFFICE OF THE DEVELOPMENT COMMISSIONER,
SEEPZ SPECIAL ECONOMIC ZONE,
ANDHERI (EAST), MUMBAI**

AGENDA NOTE FOR CONSIDERATION OF APPROVAL COMMITTEE

a) Proposal :-

Monitoring of performance of the unit, M/s. Sai Wardha Power Generation Ltd. for 1st block period i.e. 2010-11 to 2014-15 and 2nd block period of 2015-16 to 2018-19 (4 years) located at Sai Wardha SEZ, Warora, Chandrapur.

b) Specific Issue on which decision is required :-

Monitoring of performance of the unit, M/s. Sai Wardha Power Generation Limited for 1st block period i.e. 2010-11 to 2014-15 and 2nd block period of 2015-16 to 2018-19 (4 years) for exit from the SEZ scheme.

c) Relevant provision of SEZ, Act, 2005 & Rules:

In terms of Rule 54 of SEZ Rules, 2006:-

- (1) "Performance of the Unit shall be monitored by the Approval Committee as per the guidelines given in Annexure appended to these rules".**
- (2) "In case the Approval Committee comes to the conclusion that a Unit has not achieved positive Net Foreign Exchange Earning, 1[or stipulated Value Addition as specified in rule 53] or failed to abide by any of the terms and conditions of the Letter of Approval or Bond-cum-Legal Undertaking, without prejudice to the action that may be taken under any other law for the time being in force, the said Unit shall be liable for penal action under the provisions of the Foreign Trade (Development and Regulation) Act, 1992."**

d) Other Information :

M/s. Sai Wardha Power Generation Limited (Sai Wardha SEZ) has been granted Letter of Approval No. SEEPZ/NEWSEZ/WARDHA-CHNDPR/LOA-01/2008-09/7700 dated 01.10.2008 for manufacturing of electrical energy in sector specific SEZ for power at Sai Wardha SEZ, Warora Growth Centre, Warora, Chandrapur. The unit has commenced their production activity w.e.f. 05.06.2010. The LOA is valid up to 04.06.2020.

The unit vide letter dated 22.01.2020 has requested for exit from the SEZ scheme. The no dues certificate from the income tax department and Specified Officer is awaited. The verification report of APR's from the Specified Officer is also awaited.

The unit has submitted Annual Performance Report for the years 2015-16 to 2018-19 duly certified by the Chartered Accountant. The performance has been monitored on cumulative basis and the unit has achieved negative NFE.

The year-wise performance of the unit is indicated below:

1st Block i.e. 2010-11 to 2014-15

(Figs. in Lakhs)

Year	Export		Import CG/RM.			
	Projected	Actual	Projected		Actual	
			CG	RM	CG	RM
2010-11	27690	Nil			120523	3497.86
2011-12	64300	Nil			2737.41	13540.45
2012-13	64300	18953.32			3602.05	3044.16
2013-14	64300	15665.68			418.77	10046.19
2014-15	64300	14134.00			394.66	4082.61
TOTAL	284890	48753	103621	0.00	127675.9	34211.27

1st Block Period i.e. 2010-11 to 2014-15

Year	NFE Achieved (In Lakhs)	% NFE Achieved
2010-11 to 2010-11	(22404.46)	0.00%
2010-11 to 2011-12	(50653.09)	0.00%
2010-11 to 2012-13	(49639.31)	-261.90%
2010-11 to 2013-14	(65265.41)	-188.52%
2010-11 to 2014-15	(86869.49)	-178.18%

2nd Block (existing) Period 2015-16 to 2018-19 (4 years) (Figs. in Lakhs)

Year	Export		Import CG/RM.			
	Projected	Actual	Projected		Actual	
			CG	RM	CG	RM
2015-16	40000	20624.01			2509.71	0.00
2016-17	40000	4701.44			0.00	0.00
2017-18	40000	0.00			0.00	0.00
2018-19	40000	0.00			0.00	0.00
TOTAL	160000	25325.45	5000	42500	2509.71	0.00

Year	NFE Achieved (In Lakhs)	% NFE Achieved
2015-16 to 2015-16	(7790.66)	-37.77%
2015-16 to 2016-17	(28742.19)	-113.49%
2015-16 to 2017-18	(42150.16)	-166.43%
2015-16 to 2018-19	(55061.46)	-217.42%

A copy of details of calculations of NFE achieved on cumulative basis is enclosed.

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 of (Rs. 55,061.46)/- Lakhs on cumulative basis.

ADC Recommendation:

- The APRs submitted by the unit for the years from 2010-11 to 2014-15 and 2015-16 to 2018-19 has been monitored and unit has achieved negative NFE of for 1st Block period i.e. 2010-11 to 2014-15 of (Rs. 86,869.49)/- Lakhs and 2nd Block period of (Rs. 55,061.46)/- Lakhs on cumulative basis.
- Recommended to UAC for monitoring as per Rule 54 of SEZ Rules, 2006.
