

भारत सरकार
वाणिज्य और उद्योग मंत्रालय
सीपज़ विशेष आर्थिक क्षेत्र प्राधिकरण
अंधेरी (पूर्व), मुंबई - 400096



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Ministry of Commerce & Industry
SEEPZ Special Economic Zone Authority
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No. **SEEPZM-IT/13/2025-PROC/08719**

26.06 2025

Circular No. 10 Dated 26 /06/2025

विषय: सीपज़-सेज़ में उप-पट्टे पर दिए गए प्लॉट्स और गालों की परिसंपत्तियों और देनदारियों के हस्तांतरण की प्रक्रिया एवं शुल्क।

Sub: Procedure and Charges for Transfer of Assets and Liabilities of Sub-Leased Plots and Galas in SEEPZ-SEZ -reg..

A. Scope of Applicability:

1. This circular shall apply to all categories of sub-leased Galas and Plots within the SEEPZ SEZ Estate, including both operational and non-operational units. It covers Galas held under sub-leases for a term of 5 years, as well as long-term sub-leases with durations of 30, 95, and 99 years. The circular framework governs the transfer of assets and liabilities under such sub-leases.
2. Pursuant to deliberation and approval by the Authority, this comprehensive circular shall come into effect immediately and shall be applicable to all units that have been granted a Letter of Approval (LOA) on or after 28.05.2025.
3. Circular No. 02 dated 03.01.2025, along with all prior circulars, orders, instructions, and policies issued by the SEEPZ Authority relating to the transfer of assets and liabilities, shall stand repealed to the extent that they are inconsistent with the provisions of this circular.

B. Relevant provision of SEZ Act, 2005 & SEZ Rule, 2006:

1. Rule 11(5) of SEZ Rules, 2006 to be read with Instruction No 98 dated 29.08.2019.
2. Rule 74 and 74A of SEZ Rules, 2006 to be read with Instruction No 108 dated 11.10.2021.
3. Rule 8 of SEZ Authority Rules, 2009.

C. Preamble:

1. It is pertinent to note that several existing units within SEEPZ-SEZ have made significant investments in plant and machinery, infrastructure, skilled manpower, and operational ecosystems. The process of eviction followed by reallocation through public auction is often time-consuming and disruptive, resulting in interruptions to export activities, potential job losses, and diminished investor confidence. Moreover, incoming entities are generally hesitant to assume the liabilities of outgoing units, thereby complicating the transition process.
2. There are also practical scenarios involving business restructuring—such as mergers, internal reorganizations, or conversions from Limited Liability Partnerships (LLPs) to corporate entities—necessitated by operational exigencies or client requirements. In such cases, while the legal framework of the entity changes, business operations continue seamlessly, underscoring the need for a more flexible and adaptive circular approach.
3. In light of these challenges, a structured alternative mechanism has been proposed to facilitate the takeover of existing units—along with their associated assets and liabilities—by incoming companies or LLPs, without the requirement of eviction or public auction. This circular aims to promote procedural transparency, ensure operational continuity, safeguard employment, and optimize the productive utilization of SEZ infrastructure, in alignment with the objectives of export promotion and economic efficiency.
4. This circular recognizes all categories of Plots and Galas allotted by either the Maharashtra Industrial Development Corporation (MIDC) or the SEEPZ Authority, regardless of whether an upfront premium was paid at the time of allotment. These Plots and Galas are explicitly included within the scope of this framework to promote uniformity, transparency, and inclusivity in its application.

D. Available Plots/ Galas in SEEPZ SEZ estate are as under:

1. Processing Zone

(i). Plot:

- a. **95 or 99-Year Sub-Lease with One-Time Premium (e.g., SEEPZ++):**

Plots allotted on 95 or 99 years (e.g. SEEPZ++) sub-lease with a one-time premium payment at the time of the sub- lease

agreement: SEEPZ SEZ Authority charges nominal rent as per the sub- lease agreement.

b. **30-Year Sub-Lease With/Without One-Time Premium:**

Plots Allotted by SEEPZ Authority/ MIDC for 30 years **with/without one-time premium** at the time of allotment. The SEEPZ-SEZ Authority currently levies nominal rent in accordance with the sub-lease terms.

(ii) Gala

a. **5-Year Sub-Lease:**

Galas in SDF 1 to 6 and 8, G&J 1 to 3; NEST-01 & 02 and future buildings of SEEPZ Authority - 5-year Sub-Lease: SEEPZ SEZ Authority charges rent from these Galas, and the rent is subject to revision every year by SEEPZ SEZ Authority.

b. **30-Year Sub-Lease with One-Time Premium:**

Galas in SDF-VII allotted by MIDC on 30-year sub-lease with a one-time premium payment at the time of the sub-lease agreement: SEEPZ SEZ Authority charges nominal rent as per the sub-lease agreement.

c. **95 or 99-Year Sub-Lease with One-Time Premium:**

Gala allotted on 95 or 99 years (Tower 1 & 2, Multi-storied Building) sub-lease with a one-time premium payment at the time of the sub- lease agreement: SEEPZ SEZ Authority charges nominal rent as per the sub- lease agreement.

2. **Non processing Zone**

(i). Plot:

a. **30-Year Sub-Lease for Public Utilities:**

Plots allotted to public utilities in the non-processing area on a 30-year sub- lease agreement (e.g., Bank Buildings). SEEPZ SEZ Authority charges nominal rent as per the sub-lease agreement.

(ii) Gala

a. **5-Year Sub-Lease:**

Galas allotted to public utilities in the non-processing area on a 5-year renewal sub-lease agreement (e.g., Gala in BFC, Public Utilities, Bank): SEEPZ SEZ Authority charges rent from these Galas, and the rent is subject to revision every year by SEEPZ

SEZ Authority.

E. Policy for Operational Units:

1. Operational units wishing to transfer assets under provisions of the SEZ Act, Rules, or instructions issued by the Ministry of Commerce & Industry, during the validity of the sub-lease period, must submit a formal application to the SEEPZ Approval Committee. The transfer of assets and liabilities shall be permitted only upon receiving prior approval from the Approval Committee, and shall be carried out in accordance with the provisions of the proposed circular.

2. To streamline the transfer of assets and liabilities within the SEEPZ Special Economic Zone (SEZ), this circular establishes clear guidelines based on the nature of the transfer and the operational status of the unit. These transfer are classified as either "formal" or "Non-Formal," each with specific requirements and associated charges.

3. Formal Transfer:

Transfers that meet following specific criteria may be classified as "Formal Transfers". These transfers typically represent internal restructuring, legal obligations, or minor administrative changes that do not result in a significant change in ownership or control of the underlying assets. Therefore, SEEPZ Authority will only charge processing fees. These transfers shall be subject to the approval of Approval Committee of SEEPZ in terms of SEZ Act, 2005 and rules made thereunder and instructions issued by MOC&I. These provisions shall apply to all types of Plots/Galas as defined in Para D(1) above.

3.1 Formal Transfers shall include the following types of transfers, subject to the approval of the "Approval Committee".

(i). The plot holder wants to change the constitution and include his blood relations or close relations (i.e. husband/ wife/ sons/ daughters/ father/ mother/ brothers/ sisters or removal of any person) excluding the legal heir.

(ii). The transfers due to death or by bequeath/ will/ heirship.

(iii). All involuntary transfers including amalgamation, demergers etc. under the direction of the Competent Court/ Tribunals/ Government Body.

(iv). Change in the name of legal entity other than Public Limited Company and shareholding of original Directors/ Shareholders is not going below 51%.

a). Converting Partnership firm to Private Limited/ Public Limited and increasing the numbers of Directors/ Shareholders and if the shareholding of original Directors/

Shareholders is not going below 51%.

b). Converting Private Limited company to Public Limited company and increasing the numbers of Directors/ Shareholders as per the required law if the shareholding of original Directors/ Shareholders is not going below 51%.

c). In Public Limited company if the shareholding other than Public Share of Original Shareholders is not getting less than Majority and if the control on management as per companies act 1956 is remain with them.

(v). Processing Fees of **Rs. 50,000** for Such Formal Transfer will be applicable irrespective of the area.

3.2. Formal Transfers where no processing fee will be charged:

(i). Transfer from promoter of the proposed private limited company to private limited company incorporated by the promoter within stipulated time period.

(ii). Change in the name of the proprietary concern/ partnership firm, without changes in the individual proprietor/ partners, or

(iii). Change in the name of the limited company under the provisions of the Companies Act 1956.

4. Non-Formal Transfer:

4.1. Any transfer that does not meet the criteria laid down for a Formal Transfer shall be treated as a Non-Formal Transfer. Units may transfer their assets and liabilities to another eligible unit, subject to adherence to the applicable provisions of the SEZ Act, 2005, the SEZ Rules, 2006, and any instructions issued by the Ministry of Commerce & Industry.

4.2. All such Non-Formal Transfers shall require the prior approval of the Approval Committee.

4.3. These provisions shall be applicable to all categories of Plots and Galas as specified in Para D(1) above. The circular framework governing Non-Formal Transfers shall vary based on the sub-lease duration, as detailed in the following sections.

i). Non-Formal Transfers of Galas Allotted on 5-Year Sub-Lease mentioned at para D(1)(ii)(a)-

The incoming unit, taking over the assets and liabilities, shall be liable to pay lease rent at a rate equivalent to the auction discovered **highest lease rent** applicable to any unit of similar size in the same building and in case auction discovery allotted galas are not available in same building in similar size in that case auction discovered highest lease rent applicable to any similar sized unit in

similar building, as prevailing on the date of such transfer.

Non-Formal Transfers of Plots/ Galas Allotted on Long Sub-ii). Lease mentioned at para D(1)(i)(a); D(1)(i)(b); D(1)(ii)(b) and D(1)(ii)(c):

1.1. The Authority has observed that in cases where Plots or Galas allotted on long-term sub-lease are under-utilized or remain unutilized by the unit holders—contrary to the intended purpose of such allotment—it results in a significant loss of foreign exchange earnings and employment generation. In contrast, maintaining an operational unit through transfer to an eligible entrepreneur, as defined under the SEZ Act and the rules made thereunder, and who is willing to continue export-oriented activities, ensures sustained contribution towards these critical objectives.

1.2. In order to promote sustained operations and optimal utilization of SEZ infrastructure, *Non-Formal Transfers* of such Plots and Galas shall be permitted, subject to the payment of **transaction charges**. These charges shall be levied at **10% of the value of the Differential Premium**.

$$\text{Transaction charges} = (\text{Differential Premium}) \times 10\%$$

1.3. The **Differential Premium** shall be computed in accordance with the methodology outlined in the para no 5 of this circular.

5. Differential Premium:

5.1. Definition:

The *Differential Premium* is defined as the monetary difference between the **Present Premium** of a Plot or Gala and its **Initial Premium**, i.e., the premium paid at the time of original allotment to the first allottee.

$$\text{Differential Premium (DP)} = \text{Present Premium (PP)} - \text{Initial Premium (IP)}$$

However, the **final Differential Premium (DP)** shall be calculated as the **higher value** derived from the two methods specified under clauses 5.2(ii)(A) and 5.2(ii)(B).

5.2. Definitions and Methods of Computation

i) Initial Premium (IP):

The Initial Premium refers to the actual amount paid by the original allottee at the time of initial allotment of the Plot or Gala.

- a. For sub-leases allotted with an upfront premium, the *Initial Premium* is the actual premium amount paid.

- b. For sub-leases allotted **without any upfront premium**, the *Initial Premium* shall be considered as **zero**, since no premium was paid at the time of allotment.

ii) Present Premium (PP):

The Present Premium shall be determined as the **higher** of the following two alternatives:

(a) Alternate 1- MIDC Rate-Based Premium:

The "**Present Premium**" shall be determined based on the latest **Industrial Land Premium Rate** applicable to **Marol, Andheri (East)**, as notified by the **Maharashtra Industrial Development Corporation (MIDC)**. According to **Chapter IV, Clause 4.1** of MIDC's Land Pricing and Allotment Policy, plots are allotted on a leasehold basis for a period of **95 years**, upon recovery of an **upfront lease premium** at rates prescribed from time to time.

Accordingly, for SEEPZ-SEZ, the applicable land allotment rate shall be proportionately adjusted to reflect the actual sub-lease period, where it differs from the standard 95-year term. The **Present Premium per square meter** shall therefore be calculated as follows:

Present Premium (Per Square Meter)

$$\text{Present Premium (₹/sqm)} = \frac{\text{Industrial Land Allotment Rate} \times \text{Period of Sub-Lease (in years)}}{95}$$

Differential Premium-1 (DP1) = Present Premium (PP1) – Initial Premium (IP)

Here,

- **PP1 (Present Premium)** is the premium amount derived by applying the proportionately adjusted MIDC land rate for the specific sub-lease period, and
- **IP (Initial Premium)** is the original premium paid at the time of initial allotment.

(b) Alternate 2 - Transaction Value Method:

The Present Premium may alternatively be determined as the transaction value agreed between the outgoing unit and the incoming unit, subject to approval by SEEPZ-SEZ Authority. This option may be exercised where the transaction reflects fair market value based on transparent documentation and is not less than the calculated premium under Alternate-1 as defined at para 5.2(ii)(A).

Differential Premium-2 (DP2) = Present Premium-2 (PP2) - Initial Premium (IP)

Here,

- **PP2 (Present Premium-2)** is the transaction value agreed between the outgoing unit and the incoming unit, and
- **IP (Initial Premium)** is the original premium paid at the time of initial allotment.

F. Procedure for Non-Operational Units Allotted Plots/Galas on Long Sub-Lease as Defined in Para D(1)(i)(a), D(1)(i)(b), D(1)(ii)(b), and D(1)(ii)(c):

Non-operational Plots and Galas are further classified into the following two categories for the purpose of processing under this circular:

1. Unit is Non-Operational but Gala/ Plot in possession of Units:

1.1. In cases where Plots or Galas **become non-operational during the sub-lease period** and are occupied without contributing to foreign exchange earnings or employment generation, the core objectives of the SEZ are adversely affected. Since these Plots/Galas have been allotted for long durations, it is necessary to have a structured circular to deal with such cases. This will help reduce litigation and enable early and efficient disposal of non-operational assets.

1.2. In cases where a unit **voluntarily surrenders its sub-leased Plot or Gala** before the initiation of eviction proceedings, the SEEPZ-SEZ Authority may consider repossessing the premises and refunding the proportionate unutilized premium. The refund shall be calculated using the **straight-line method** for the remaining period of the sub-lease, as per Para 10 of **Annexure-A to Instruction No. 108**, dated 11.10.2021, issued by the Ministry of Commerce & Industry. However, in light of the differing directions issued by the Hon'ble High Court of Bombay in the matters of *SEEPZ-SEZ Authority vs. Core Education and Technologies Ltd.* and *SEEPZ-SEZ Authority vs. Zenith Infotech Ltd.*, such cases shall be examined individually and placed before the Authority for specific consideration and approval.

2. Non operational Plots/ Galas under possession of Agency (viz. ED/ DRT/ NCLT/ Financial Institutions):

2.1. In such type of cases, Agency (viz. ED/ DRT/ NCLT/ Financial Institutions - hereinafter will be referred as Agency) may Auction the Plot/ Gala within a reasonable time period and before the expiry of the Sub-Lease period.

2.2. Transaction Charges at the rate of 10% of the Differential Premium, as defined in Para 5 of this Policy, shall be levied on the incoming unit, however, in such cases, the Present Premium shall be determined as below-

For Plots/Galas as defined at D(1)(i)(a) and (b) and D(1)(ii)(b) and (c):

Present Premium shall be the **auction-discovered premium**, excluding the cost of movables and liabilities, as determined through the auction process. This rate shall be accepted as valid on account of its transparent and publicly verified discovery mechanism.

2.3. However, if the auction-discovered value does not clearly segregate the Plot/Gala premium from the cost of assets(construction), movables and liabilities, or if the process lacks adequate transparency, the **Present Premium** shall be determined in accordance with **Alternate 1**, as specified in **Para 5.2(ii)(a)** of this Policy.

2.3. These charges shall be over and above the outstanding dues, lease rent and other applicable charges in SEEPZ SEZ Authority such as Services charges, BMC charges, Fire Cess etc.

2.3. In cases where the Agency fails to auction the Plot or Gala within a reasonable period, resulting in the premises remaining idle and causing a loss of foreign exchange and employment, the **SEEPZ-SEZ Authority shall take over the premises** and process a refund of the **unutilized proportionate premium** in accordance with **Clause F.2** of this Policy. The Authority shall thereafter conduct an **E-Auction** of the said Plot or Gala, as approved under **Agenda Item No. 11 of the 71st Authority Meeting** held on 04.02.2025.

2.4. Upon expiry of the sub-lease period, the **Agency shall have no right to retain possession** of any Plot or Gala taken over during the validity of the sub-lease. All such properties shall be handedover to the SEEPZ-SEZ Authority.

This issues with the approval of the Chairman, SEEPZ Authority.

Digitally signed by
Mayur R Mankar
Date: 26-06-2025

17-23-14 (मयूर मणकर, भा. रा. से.)

संयुक्त विकास आयुक्त
सीपज़-सेज़ प्राधिकरण

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