

Maharashtra Airport Development Company Limited

(CIN : U45203MH2002SGC136979)

Extension Policy for Old Allotees in the SEZ area and the area outside the SEZ in the MIHAN notified area, Nagpur

1. **How Plots are allotted in the SEZ area:** The Committee note the procedure with regards to disposal/allotment/leasing of plots in the MIHAN notified area at Nagpur. Plots in the MIHAN SEZ were allotted directly by application. The procedure involved, the interested incumbent to submit all necessary documents such as Expression of Interest /Proposal, submitting of Project Reports, documents such as Copy of Memorandum & Articles of Association/Partnership Deed, Copies of PAN (Company), last three years audited Balance Sheets - ITRs, Passport size photographs of Directors and their PAN numbers and other details such as Sales Tax Registration, etc. Upon the successful evaluation, the incumbent would be allotted the plot.
2. **How Plots are allotted in the area outside the SEZ:** The Committee was informed that during the initial period up until 2014, outside the SEZ area, only large plots were offered and they were allotted through a bidding/tendering process with certain applicable conditions and procedural frameworks. The incumbents/allotees had to follow the prevalent terms & conditions as stated in the Lease deeds. For changes/modifications to these conditions, individual cases had to be brought to the Board of Directors for a decision. The Committee also noted that in the 36th Board Meeting, the Board ratified that allotees, namely M/s. Gati & M/s. TCI may be granted extensions upon payment of additional lease premium of 5% per annum of the total lease premium. The Committee was also informed that it was only during 2014 onwards that allotments of plots less than 5 acre were made through direct allotment, for industrial use, as per the Draft Land Disposal Regulations 2014 and various policies framed under it.
- 3(a) **Terms & Conditions pertaining to completion of construction period for plots in the SEZ:** The Lease deed defined the period during which the allotees had to complete the construction. In most cases, the period

stipulated was 3 years. The initial allotments/old allotments also stipulated that unconsumed FSI after the stipulated period would get extinguished.

3(b) Terms & Conditions pertaining to completion of construction period: The tender conditions and/or the Lease deed defined the period during which the allottees had to complete the construction. In most cases, the period stipulated was 3 to 5 years. The initial allotments/old allotments also stipulated that unconsumed FSI after the stipulated period would get extinguished.

4(a) Extant Policy for extension of time period for completion of construction of SEZ plots: Individual cases for extension were taken up to the Board of Directors during the Board Meetings. The issue was put up in the 34th Board meeting held on 08/09/2011, wherein the Board had approved extension of time on yearly basis upto 2 years for completion of the project, without levying any additional premium. Even after giving 2 years extension, many companies had either not started or completed their work. This was again put up in the 46th Board meeting held on 30/06/2014. After deliberation, the Board had approved to grant 6th and 7th year extension by charging additional premium at the rate of 5% of total lease premium per annum.

4(b) Extant Policy for extension of time period for completion of construction of plots outside the SEZ: Individual cases were taken up to the Board of Directors during the Board Meetings. Issues related to extension were put in the 36th Board meeting held on 21/03/2012 for giving extension of time for completion of the work. However, during the discussion there was a general consensus in the Board to charge premium for giving such extensions for utilisation of FSI @ 5% p.a. of total lease amount paid. However, if the companies are successful in utilizing the FSI within the 2 years period, they should be given 50% refund from the said 5% premium.

Taking into account the procedure followed for allotment for plots in the SEZ area and for plots in the area outside the SEZ, the decisions of the Board in different cases and the response of potential investors / entrepreneurs in MIHAN, the Committee recommends to the Board the

following Policy for grant of extension of time for utilisation of FSI in SEZ as well as the area outside the SEZ.

5. **Applicability:** The proposed changes in the Policy will apply only to Old cases. It is clarified that all incumbents who had been allotted plots in the SEZ area or area outside the SEZ, before the implementation of the DRAFT - Land Disposal Regulation 2014 (Draft LDR 2014), which was approved by the Board of Directors at MADC in the 48th Board Meeting held on 13th of November 2014, shall be considered as 'Old Cases' (Allotees) both within and outside the SEZ.
6. **Non-Applicability:** The Proposed Policy will not apply to tendered plots either in the SEZ or the area outside the SEZ. These cases would be dealt with by the Board based on the merits of the case.
7. **Change Proposed:** It is proposed that all delays in completing the project upto 1st April 2016 be condoned and allow them to carry out the development as per draft LDR and policies framed under it. The surrender policy of LDR would not be applicable to the old cases. However, all incumbents who wish to avail of the condonation /benefits under the policy and are eligible, will have to execute a supplementary agreement before December 20, 2016 with MADC for carrying the development under draft LDR. The supplementary agreement shall be deemed to have come into effect from April 1, 2016. In this way, all provisions of the Draft LDR except for the Surrender Policy, could be made applicable to old land allotment cases. This will also help in enforcing common conditions like payment of service cost, extension of time, termination of agreement, transfer of rights, delivery of possession, summery eviction etc. which is there in the old agreement in some form or other, but expressly not depicted. However, there would be no change in the use and FSI permitted to such allottees.

After the Allotees have executed a supplementary agreement, the following conditions will apply or benefits will accrue:

8(a) **Construction Period for Small Plots in SEZ area:** These units shall utilize a minimum of 75% of Permissible FSI within a period of 4 years from the date of Supplementary agreement viz upto March 31, 2020, as the date of supplementary agreement shall be deemed to be April 1, 2016.

Thereafter, on a year to year basis, extensions for 5 more years can be obtained for consumption of balance FSI on payment of Additional Premium. The rates for additional premium shall be as given in Table appended. If construction does not commence by the 6th years from the date of commencement of Supplementary Agreement, then the allotment shall be deemed to be terminated and land will be resumed to MADC.

8(b) **Construction Period of Large plots in the SEZ area:** It shall be mandatory for the large plot allottees in SEZ area to consume minimum 50% FSI by 7 years in 3 phases, i.e. 20% upto the end of the 3rd Year, 30% upto the end of 5th Year and 50% upto the end of 7th Year. Time period for construction to start from the date of the Supplementary Agreement, i.e. April 1, 2016, accordingly 7 years of completion period for consumption of 50% of Permissible FSI to conclude by March 31, 2023.

Thereafter yearly extension for 5 more years can be obtained for consumption of balance FSI, on payment of Additional Premium. The rates for additional premium shall be as given in Table appended. If construction does not commence by the 6th year from the date of commencement of Supplementary Agreement, then the allotment shall be deemed to be terminated and land will be resumed to MADC.

8(c) **Construction Period for Small Plots in the area outside the SEZ: :** It shall be mandatory for the small plot allottees outside SEZ area to consume minimum 75% FSI by 4 years from the date of the Supplementary Agreement, i.e. April 1, 2016. Thereafter, on a year to year basis extensions for consumption of balance FSI, will be permitted on payment of Additional Premium. The rates for additional premium shall be as given in Table appended. If construction does not commence by the 6th year from the date of commencement of Supplementary Agreement, then the

allotment shall be deemed to be terminated and land will be resumed to MADC.

8(d) **Construction Period of Large plots in the area outside the SEZ:** It shall be mandatory for the large plot allottees outside SEZ area to consume minimum 50% FSI by 7 years in 3 phases, i.e. 20% upto the end of the 3rd Year, 30% upto the end of 5th Year and 50% upto the end of 7th Year. Time period for construction to start from the date of the Supplementary Agreement, i.e. April 1, 2016, accordingly 7 years of completion period for consumption of 50% of Permissible FSI to conclude by March 31, 2023.

Thereafter, yearly to year basis extensions for consumption of balance FSI, will be permitted for consumption of balance FSI, on payment of Additional Premium. The rates for additional premium shall be as given in Table appended. If construction does not commence by the 6th year from the commencement date of supplementary agreement then the allotment shall be deemed to be terminated and land will be resumed to MADC.

9. Representation in Tabular Format: Extension and Additional Premium

Item	Small Plot (area up to 2.0 ha)		Big Plot (area more than 2.0 ha)	
	SEZ	Area outside the SEZ	Processing SEZ	Non Processing SEZ
Mandatory minimum FSI consumption	75% (50% for co-developer)	75%	50 %	
Time Period	4 years from 1/04/2016		7 years from 1/04/2016, in 3 phases i.e., 20% up to the end of the 3 rd Year, 30% up to the end of 5 th Year, 50% up to the end of 7 th Year	
Extension on a year to year basis by charging additional premium	Yearly extensions up to 5 Years	Yearly extension can be granted without any time limit	Yearly extensions up to 5 years	Yearly extensions can be granted without any time limit

Special Condition	If construction is not started within 6 th year from the commencement date of agreement then provision of termination	If construction is not started within 6 th year from the commencement date of agreement then provision of termination	
Additional Premium for SEZ and Non SEZ			
Sr. No.	Period of Extension	Rates of Additional premium for Plots	
1	Extension of 1 year	1%	1%
2	After First Year but up to 2 Years	2%	2%
3	After Second Year but up to 3 Years	3%	3%
4	After 3 rd Year but up to 4 years	5%	5%
5	After 4 th Year but up to 5 years	10%	10%
6	Every year after the fifth year	No extension	15%

10. Glossary:

- a) **Small Plots and Large Plots:** Any plot area under 2 hectares i.e. upto 5 acres to be considered as a small plot and any plot area over 2 hectares i.e. over 5 acres to be considered as a large plot.
- b) **Co-Developer:** Any allottee, in the SEZ, who will be constructing a building(s), structure(s) or an independent unit(s) with sanctioned plans, intended for any type of use such as residence, industry, office, practice of any profession, commercial use or for carrying on any occupation or trade or business and upon completion of construction shall be disposing on the basis of onward Sale, through an Agreement to Sale to interested parties/incumbents, qualifies to be a Co-Developer.
