Jawaharlal Nehru Port Authority
Special Economic Zone

POLICY FOR CONVERSION OF UNIT PLOT TO CO-DEVELOPER PLOT POST ALLOTMENT

(Approved by JNPA Board vide Resolution no. JNPA-205/08.05.2024)

JNPA has been allotting plots on leasehold basis in the JNPA SEZ area through e-auction/ e-tender mechanism. The plots have been allotted as "Unit Plot" and as "Co-Developer/ FTWZ Plots." Few queries are received by JNPA regarding conversion of plot originally allotted as Unit Plot into Co Developer/ FTWZ Plot post allotment. This Policy shall govern the procedure for conversion of such Unit Plot into Co-developer / FTWZ Plot post issuance of Letter of Intent (LOI) by JNPA

1. **ELIGIBILITY CRITERIA** –

   An Entity who has been issued Letter of Intent (LOI) for allotment of Unit Plot on Leasehold basis in JNPA SEZ and satisfies following conditions may make an application to JNPA seeking permission to convert "Unit Plot" into "Co-Developer/ FTWZ Plot"–

   (i) The Plot size allotted to it as Unit Plot is 2 Ha (20,000 sqm) and above (contiguous 2 Ha / amalgamated 2 Ha plot).

   (ii) A Feasibility report from the Unit holder supporting that the Unit Plot can be converted into Co- Developer/ FTWZ Plot in JNPA SEZ without any modification in the existing infrastructure provided by the Developer.

   (iii) The Applicant shall satisfy the Average Turnover criteria as fixed by JNPA SEZ from time to time for such conversion and its Net Worth should be positive (Net-worth certification from the practicing CA to be submitted).

   (iv) The Applicant has to submit the fees as prescribed.

   (v) The Application is to be made within six months of issuance of Letter of Intent for the Unit Plot (However in case where LOI has been issued by JNPA before the date of issuance of this policy the Unit holders may submit the application within 3 months from the date of issuance of this policy)

   (vi) Those units who have received LOA from DC office and who have entered a lease agreement are also eligible to apply, provided they comply with provisions of this policy.

2. **DOCUMENTS TO BE SUBMITTED WITH CONVERSION REQUEST TO JNPA**

   (i) Application for conversion of Plot into Co-Developer / FTWZ Plot in prescribed format to be issued by JNPA from time to time.

   (ii) Revised business plan for development of the plot as Co-Developer / FTWZ as notified by JNPA from time to time.,

   (iii) A Feasibility report from the Unit holder supporting that the Unit Plot can be

converted into Co- Developer / FTWZ Plot in JNPA SEZ without any modification in the existing infrastructure provided by the Developer

(iv) Undertaking by the Applicant regarding compliance of requisite procedure and obtaining required approvals.

(v) Demand Draft for the Conversion Fees.

(vi) Receipt of payment of 1st Installment of Upfront lease on the date of making request for such Conversion

3. PROCEDURE FOR PROCESSING OF APPLICATION RECEIVED FOR CONVERSION OF UNIT PLOT TO CO DEVELOPER / FTWZ PLOT

(i) The application received along with the prescribed documents shall be placed before the LAC (Land Allotment Committee) constituted by JNPA for examination and recommendations.

(ii) The Committee shall examine the application on case to case basis based on merit of each case and place its recommendations for decision before the Chairman JNPA. The decision of JNPA in this regard shall be final and binding.

(iii) All the cases recommended by LAC and approved by Chairman JNPA shall be placed before the Board for approval/ratification.

(iv) If approved, JNPA shall issue the revised Letter of Intent after approval of the Chairman. JNPA shall have the right to impose such terms and conditions as it may deem fit. In case of units who have been issued LOA and/or are operational, JNPA will issue a NOC for conversion of Unit to Co-developer.

(v) In case the Unit holder has obtained LOA, they shall have to surrender its status of a "Unit" to the Development Commissioner SEZ and submit the No Due Certificate / Clearance from the authorized representative of Development Commissioner.

(vi) The Applicant has to submit No Objection Certificate from its existing lenders/ Bankers having charge / mortgage over the assets of the unit for such conversion (if applicable)

(vii) In case of non-compliance or failure to obtain requisite approvals or documents, JNPA reserves the right to cancel the Letter of Intent issued regarding Co Developer.

(viii) The Applicant has to execute Co Development Agreement with JNPA within three months of issuance of NOC/ Revised LOI as Co-Developer by JNPA and will have to apply for Co-Developer status from the Board of Approval, Ministry of Commerce and Industry, Government of India within three months from the date of execution of co-development agreement.

(ix) Signing of new lease deed / modification to the Lease Deed/Other documents as specified by JNPA needs to be carried out within the prescribed time.

(x) The Applicant has to continue to honor all its obligations under the Letter of Intent issued for Unit Plot regarding payment obligations which shall be treated / adjusted as paid by Co-developer accordingly upon receipt of

approval by all authorities for said conversion. Submission of application for Conversion (unless approvals are received from all authorities including Development Commissioner, DC SEZ as aforesaid) does not relieve the Unit Plot holder to recuse its performance under the Letter of Intent (LOI) issued to it for the Unit Plot

4. CONSEQUENCES OF NON-COMPLIANCES OF REVISED LETTER OF INTENT/NOC AS CO-DEVELOPER

(i)In case of non- compliance by the applicant of any of the provision of the Co-development agreement and/ or LOI issued by JNPA regarding conversion of plot into Co-developer / FTWZ Plot by Unit holder,

<div align="center">OR</div>

(ii) In case of non-receipt of approval from DC regarding conversion of plot into Co-developer / FTWZ plot by unit holder despite submission of all documents and compliances in terms of the Co-development agreement,

<div align="center">OR</div>

(iii)In case of any other default by the applicant,

JNPA reserves the right to revoke/cancel the revised Letter of Intent/ NOC issued for conversion of Plot into Co developer / FTWZ Plot, terminate the Co-development agreement (if executed) and reinstate the original Letter of Intent issued to applicant by JNPA regarding allotment of Unit Plot. Further, in case the Applicant is in default of any condition of the original LOI issued to the Applicant for Unit Plot, JNPA reserves the right to terminate the same in accordance with terms of its allotment and forfeit the security deposit/EMD amount as stipulated under the terms of the allotment/agreement

5. CONVERSION FEE

The Applicant/Unit holder will have to pay the conversion charges at the rate of Rs. 1/- lakh (rupees one lakh only) per 0.4 ha (i.e. 1 acre) or part thereof before signing co-development agreement with JNPA (it is in addition to the upfront lease premium paid by the unit holder). The conversion fee once paid is non-refundable.

6. The Applicant shall be bound by the provisions of the PGLM 2014(as amended), SEZ Act 2005& other applicable guidelines and regulations. The directions issued by Ministry of Port, Shipping & Waterways (MOPS&W) on the subject matter (if any) shall also be binding on the Applicant.
7. JNPA reserves the right to consider the application for conversion of Unit Plot into Co- Developer / FTWZ Plot received by JNPA after six months of the issuance of Letter of Intent by JNPA for Unit Plot. However, the same shall be subject to such conditions as may be levied by JNPA and the provisions of the PGLM 2014 (as amended) and other applicable guidelines and regulations. The provisions of this policy shall apply to such cases also as far as possible subject

to the exception that in case of non-receipt of requisite approval for conversion of Unit Plot into Co Developer/FTWZ, the applicant shall continue to operate the unit as Unit Plot holder.

8. **<u>DATE OF COMING INTO FORCE OF THIS POLICY</u>**-This Policy shall come into force from date of issuance and approval of the Board of Jawaharlal Nehru Port Authority.