

Minutes of the 31st meeting of the SEZ Board of Approval held on 15th January 2009, at 2.30 P.M., to consider proposals for setting up of Special Economic Zones

The thirty first meeting of the SEZ Board of Approval was held on 15.01.2009 at 2.30 P.M. under the chairmanship of Shri Gopal K. Pillai, Secretary, Department of Commerce in Room No. 141, Udyog Bhawan, New Delhi to consider proposals for setting up of Special Economic Zones and other miscellaneous requests in respect of notified/approved SEZs. A list of participants is enclosed (**Appendix**).

2. Addressing the Board of Approval members, the Chairman informed that out of the 552 formal approvals granted for setting up of SEZs, 278 SEZs have been notified as on date. Investment of over Rs. 101906.21 Crores has already been made in these SEZs. Total employment to over 3,66,333 persons has been provided by the Special Economic Zones. Growth of 92% over 2006-07 has been registered in exports figures.

3. Chairman, however pointed out the considerable delay in formally notifying the approved zones which in most of the cases is at the State Government level. He said that if the delays continue, there are good chances that the investment will migrate to other states.

Item No.1: Proposals for setting up of SEZs

(A) Decisions for Formal Approvals:

1. Request for setting up of a sector specific Special Economic Zone for IT/ITES including Electronic Hardware at Saravanapatty village, Coimbatore District, Tamil Nadu by M/s. Hall Marc Techno Park Private Limited – 11.5904 hectares (Item No. 1 – Sl. No. 1):

The Board noted that the Developer was in possession of land. The State Government also recommended the proposal. Accordingly, the Board decided to grant **formal approval** for setting up of a sector specific Special Economic Zone for **IT/ITES including Electronic Hardware** at Saravanapatty village, Coimbatore District, Tamil Nadu by **M/s. Hall Marc Techno Park Private Limited** over an area of **11.5904 hectares**.

2. Request for setting up of a sector specific Special Economic Zone for IT/ITES and Electronic Hardware at Arasur village, Coimbatore District, Tamil Nadu by M/s. KPR Developers Limited– 20.50 hectares (Item No. 1 –Sl. No. 2):

The Board noted that the Developer was in possession of land. The State Government also recommended the proposal. Accordingly, the Board decided to grant **formal approval** for setting up of a sector specific Special Economic Zone for **IT/ITES and Electronic Hardware** at Arasur village, Coimbatore District, Tamil Nadu by **M/s. KPR Developers Ltd.** over an area of **20.50 hectares**.

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3. Request for setting up of a sector specific Special Economic Zone for IT/ITES at Village Wakad, Tal, Mulshi Dist. Pune, Maharashtra by M/s. Wakad Realty Pvt. Ltd. – 10.52 hectares (Item No. 1 –Sl. No. 3):

The Board noted that the Developer was in possession of land. The State Government also recommended the proposal. Accordingly, the Board decided to grant **formal approval** for setting up of a sector specific Special Economic Zone for **IT/ITES** at village Wakad, Tal, Mulshi District Pune, Maharashtra by **M/s. Wakad Realty Pvt. Ltd.** over an area of **10.52 hectares**.

4. Request for setting up of a sector specific Special Economic Zone for Alumina sector at S. Kota, District Vizianagaram, Andhra Pradesh by M/s. JSW Aluminium Limited – 240 hectares (Item No. 1 –Sl. No. 4):

The Board noted that the Developer was in possession of 251 hectares of land. However, the developer had applied for setting up of SEZ over an area of 240 Ha only. The State Government also recommended the proposal. Accordingly, the Board decided to grant **formal approval** for setting up of a sector specific Special Economic Zone for **Alumina sector** at S. Kota, District Vizianagaram, Andhra Pradesh by **M/s. JSW Aluminium Limited** over an area of **240 hectares**.

5. Request for setting up of a sector specific Special Economic Zone for Multi Services at village Ulwe, Navi Mumbai, Maharashtra by M/s. Navi Mumbai SEZ Pvt. Ltd. – 128.4292 hectares (Item No. 1 –Sl. No. 5):

The Board noted that the Developer has been granted approval for setting up SEZ in 4377 hectares. Out of this, 3 proposals have already been formally approved and the present proposal is for a fresh formal approval. The developer was in possession of land. The State Government also recommended the proposal. Accordingly, the Board decided to grant **formal approval** for setting up of a sector specific Special Economic Zone for **Multi Services** at village Ulwe, Navi Mumbai, Maharashtra by **M/s. Navi Mumbai SEZ Pvt. Ltd.** over an area of **128.4292 hectares subject to MHA clearance**.

6. Request for setting up of a sector specific Special Economic Zone for IT/ITES at Village Lohagaon, Tal Haveli, District Pune, Maharashtra by M/s. Kirti Infrastructure – 19.57 (Deferred item of BoA dated 8.12.08):

The Board noted that the Developer was in possession of land. The State Government also recommended the proposal. Accordingly, the Board decided to grant **formal approval** for setting up of a sector specific Special Economic Zone for **IT/ITES** at Village Lohagaon, Tal Haveli, District Pune, Maharashtra by **M/s. Kirti Infrastructure** over an area of **19.57 hectares subject to submission of registered lease/sale deed before the notification**.

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7. Request for setting up of a sector specific Special Economic Zone for IT/ITES at Kollam District, Kerala by Kerala State IT/ITES Infrastructure Company Limited – 18 hectares (Deferred item of BoA dated 8.12.08):

The Board noted that the Developer was in possession of land. The State Government also recommended the proposal. Accordingly, the Board decided to grant **formal approval** for setting up of a sector specific Special Economic Zone for IT/ITES at Kollam District, Kerala by **Kerala State IT/ITES Infrastructure Company Limited** over an area of **18 hectares**

8. Request for setting up of a sector specific Special Economic Zone for IT/ITES at Sector 132, Noida, Uttar Pradesh by M/s. Wellgrow Infotech Private Limited – 10.457 hectares (Deferred item of BoA dated 8.12.08):

It was noted by the Board that this case is first of its kind being considered under section 3(10) of the SEZ Act, 2005. Keeping in view the requirement of the monitoring the SEZ, it was decided that the entire zone will be processing zone and there will be no non-processing zone. Each of the 4 developers will develop their respective plots of land in terms of all the Rules and regulations under the SEZ Act and Rules. Accordingly, the Board decided to grant **formal approval** for setting up of a sector specific Special Economic Zone for IT/ITES at Sector 132, Noida, Uttar Pradesh to the developers, with **M/s. Wellgrow Infotech Limited** as the Lead Developer, **over** an area of **10.457 hectares** as under

S. No.	Name of the developer	Areas
1.	Wellgrow Infotech Pvt. Ltd. (Lead Developer)	4 hectares
2.	Vansh Software Developers Pvt. Ltd.	2.409 hectares
3.	Panacea Townships Pvt. Ltd.	2.024 hectares
4.	Abloom Infotech Pvt. Ltd.	2.024 hectares
	Total	10.457

The four developers will be jointly and severally responsible for the zone to develop within the time period stipulated for the purpose.

(B) Decisions for in-principle approvals:

1. Request for setting up of a Multi Product Special Economic Zone at Ananthapur District, Andhra Pradesh by M/s. Lepakshi Knowledge Hub Private Limited – 1032 hectares (Item No. 1 –Sl. No. 2):

The Board noted that the Developer was not in possession of land and that the State Government had recommended the proposal for grant of in principle approval. After deliberations, the Board decided to grant **in-principle approval** for setting up of a **Multi Product** Special Economic Zone at Ananthapur District, Andhra Pradesh by **M/s. Lepakshi Knowledge Hub Private Limited** over an area of **1032 hectares**.

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2. Request for setting up of a port based multi product Special Economic Zone at Vanjore Village, Thirupattinam Commune, Karaikal District, Pondicherry by M/s. Karaikal Port Private Limited – 243.503 hectares (Item No. 1 –Sl. No. 2):

The Board noted that the Developer has requested for a port based multi product SEZ with the port within the SEZ area. BoA has not been considering port within the SEZ area and the port has to be outside the SEZ area. After deliberations, the Board decided to grant **in-principle** approval for setting up of a **port based multi product** Special Economic Zone at Vanjore village, Thirupattinam Commune, Karaikal District, Pondicherry by **M/s. Karaikal Port Private Limited** over an area of **243.503 hectares** subject to the condition that the port area will not form a part of the SEZ and would be earmarked separately. The Board directed that the area of the port may be delineated by the developer and after the balance specifications have been submitted by the developer, the same may be placed before next BoA meeting for its consideration.

3. Request for setting up of a sector specific Special Economic Zone for Agro products at Aligarh, Uttar Pradesh by M/s. Anand Agrochem India Limited – 112 hectares (Item No. 1 –Sl. No. 4):

The Board noted that the Developer was in partial possession of land and that the State Government had recommended the proposal for grant of in principle approval. After deliberations, the Board decided to grant **in-principle approval** for setting up of a sector specific Special Economic Zone for **Agro products** at Aligarh, Uttar Pradesh by **M/s. Anand Agrochem India Limited** over an area of **112 hectares**.

(C) Decisions for Deferment:

1. Request for setting up of a sector specific Special Economic Zone for IT/ITES at Powai, Mumbai, Maharashtra by M/s. Larsen & Toubro Ltd.– 10 hectares (Item No. 1 – Sl. No. 6):

The Board noted that the land on which the SEZ is proposed to be set up is not vacant as there were certain existing structures which L&T is in the process of getting vacated. After deliberations, the Board decided to **defer** the proposal and await the confirmation regarding availability of vacant land.

Item No.2: Request for Authorized Operations.

(i) Request of M/s. IT Infrastructure Park (P) Limited for authorized operations as co-developer in the IT/ITES SEZ at Plot No. 01, Sector 140A, Noida, District Gautam Budh Nagar, Uttar Pradesh by M/s. Sarv Mangal Realtech Private Limited

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The Developer made a detailed presentation on the requirement of authorized activities. After deliberations, the Board decided to approve the authorized activities in the **non-processing** area, as given in the table:

S. No.	Authorized activities	Quantum sought (in sq. meters)	Quantum Approved (in sq. meters)
1.	Residential Apartments	5,000	5,000
2.	Service Apartments	10,000	10,000
3.	Business Centre	2,000	2,000
4.	Retail	1,000	1,000
5.	Club, Gym etc.	3,000	3,000
6.	Food courts/Restaurants	2,000	2,000
7.	Commercial	9,000	9,000
8.	Entertainment/Sports park	2,000	2,000
	Total	34,000	34,000

(ii) Request of M/s. Suncity Projects for authorized operations in the sector specific IT SEZ at Gurgaon, Haryana

The Board decided to approve the authorized activities in the **processing area**, as listed below:

S. No.	Facility/amenities	Quantum sought (in Square Meters)	Quantum Approved (in sq. meters)
1.	Power including power back up facilities, for captive use	110 MVA	110 MVA
2.	a) Surface & stilt parking b) Basement parking	82914 414569	82914 414569
3.	Recreational facilities including club house, indoor or outdoor games, gym etc. Auditorium	1500 4000	1500 4000
4.	Food services including cafeteria, food courts(s), restaurants coffee shops, canteens and catering facilities	1500	1500
5.	Employees welfare facilities like medical centre	500	500

The Board noted that the representative of the developer was not available to present the case. Therefore, the Board decided to defer the request of the developer for authorized operations in the **non-processing** area.

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(iii) Request of M/s. Sri City Special Economic Zone for authorized operations in the Multi product SEZ at Andhra Pradesh

The Developer made a detailed presentation on the requirement of authorized activities. After deliberation, the Board decided to approve the authorized activities, as listed below:

Non-processing area:-

S. No.	Facility/amenities	Quantum sought (in Square Meters)	Quantum Approved (in sq. meters)
1.	Accommodation	460585 (4250 units)	460585 (4250 units)
2.	School	30,000	30,000
3.	Medical and preliminary scanning centre	1000	1000
4.	Dormitory	25,000	25,000
5.	Service Apartments	20,000 (400 apartments)	20,000 (400 apartments)
6.	Hospital of 50 beds	2,500	2,500
7.	Shopping	2,500	2,500

Processing area

S. No.	Facility/amenities	Quantum sought (in Square Meters)	Quantum Approved (in sq. meters)
1.	Ready Built Factories (RBF)	50,000	50,000
2.	Facility for providing fuel	2,000 (Proposed capacities for 20,000 litres/month each of petrol/diesel)	2,000 (Proposed capacities for 20,000 litres/month each of petrol/diesel)
3.	Food court/canteen/food stalls	1,000	1,000
4.	Incubation Centre	12,000	12,000

(iv) Request of M/s. Anant Raj Industries Ltd. for authorized operations in the IT/ITES SEZ at TP-I, Rai, Sonapat (Haryana)

The Developer made a detailed presentation on the requirement of authorized activities. After deliberations, the Board decided to approve the authorized activities in the **non-processing** area, as given in the table:

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S. No.	Authorized activities	Quantum sought (in Square Meters)	Quantum Approved (in sq. meters)
1.	Service apartments for non IT zones (212 units)	16,222.25	16,222.25
2.	Retail space and utilities like telephone kiosk, food kiosks etc.	6,826.55	6,826.55
3.	Recreational facilities like amphi theatre, sports complex, indoor games	3,500	3,500

Item No.3: Requests for co-developers

While considering the requests for co-developer, CBDT representatives raised the issue of tax treatment of income from long term leases. The BoA observed that the approval given by BoA for Co-Developers for particular terms and conditions of lease agreement will not have any bearing on the treatment of the income by way of lease rentals/down payment/premium etc., for the purposes of assessment under the prevalent Income Tax Act and Rules. The Assessing Officer will have the right to examine the taxability of these amounts under the Income Tax Act. Accordingly, the Board decided to approve the following proposals of the co-developers, subject to the aforesaid observation.

2. The Board further decided that for authorized activities to be undertaken by the co-developer will be approved separately by the Board. Accordingly, the Board decided to grant status of co-developer only.

(i) Request of M/s. Abhijeet MADC Nagpur Energy Pvt. Ltd. for co-developer in the multi product SEZ in Nagpur, Maharashtra, developed by M/s. Maharashtra Airport Development Company Limited (MADC).

After deliberations, the Board decided to grant approval to the request of M/s Abhijeet MADC Nagpur Energy Pvt. Ltd. for co-developer over an area of 6.2654 hectares in the multi product SEZ at Nagpur, Maharashtra proposed to be developed by M/s. Maharashtra Airport Development Company Limited (MADC)

(ii) Request of M/s. Quarkcity Energy Private Limited for co-developer in the IT SEZ at Mohali, Punjab by M/s. Quarkcity India Pvt. Ltd.

After deliberations, the Board decided to grant approval to the request of M/s Quarkcity Energy Private Limited for co-developer over an area of 13.75 hectares in the IT SEZ at Mohali, Punjab proposed to be developed by M/s. Quarkcity India Pvt. Ltd.

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(iii) Request of M/s. Great Indian Linen and Infrastructure Co. Pvt. Limited for co-developer in the Textile SEZ at Uthukuli, Perundurai District, Tamil Nadu by M/s. ETL Infrastructure Services Limited

The Board noted that the proposal was deferred in the meeting of the BoA held on 22nd September 2008 as the co-developer agreement provided between the developer and co-developer was not very clear. The networth figures were also not provided. The Board further noted that still more clarity was required. Accordingly, the Board decided to **defer** the proposal.

(iv) Request of M/s. Mantri Technology Parks Pvt. Ltd. for co-developer in the IT/ITES SEZ developed by M/s. Brahmani Infratech Pvt. Ltd. at Ranga Reddy District, Andhra Pradesh

After deliberations, the Board decided to grant approval to the request of M/s Mantri Technology Parks Pvt. Ltd. for co-developer in the IT/ITES SEZ developed by M/s. Brahmani Infratech Pvt. Ltd. at Ranga Reddy District, Andhra Pradesh.

Item No.4: Request for change in sector

(i) Request of M/s. Suzlon Infrastructure Ltd. for change of sector from Hi-tech Engineering to Hi-tech Engineering and all engineering related products and services sector at Udupi, Karnataka

The Board noted that the developer has proposed for inclusion of services while requesting for change of sector which cannot be considered. After deliberations, the Board decided to approve the request of M/s. Suzlon Infrastructure Ltd. for change of sector from Hi-tech Engineering to Engineering at Udupi, Karnataka

(ii) Request of M/s. Suzlon Infrastructure Ltd. for change of sector from Hi-tech Engineering to Hi-tech Engineering and all engineering related products and services sector at District Vadodra, Gujarat.

(iii) Request of M/s. Suzlon Infrastructure Ltd. for change of sector from Hi-tech Engineering to Hi-tech Engineering and all engineering related products and services sector at Coimbatore, Tamil Nadu

The Board noted that the developer has proposed for inclusion of services while requesting for change of sector which cannot be considered. After deliberations, the Board decided to approve the request of M/s. Suzlon Infrastructure Ltd. for change of sector from Hi-tech Engineering to Engineering at Coimbatore, Tamil Nadu.

Item No. 5: Request for increasing / decreasing area

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(i) **Request of M/s Maytas Enterprises SEZ Pvt. Ltd. for de-notification of a portion of land in the notified IT/ITES SEZ at Serilingampally Mandal, Ranga Reddy District, Andhra Pradesh.**

After deliberations, the Board decided to **defer** the request of M/s. Maytas Enterprises SEZ Pvt. Ltd. for de-notification.

(ii) **Request of M/s Cessna Garden Developer Private Limited for addition of land in the notified IT/ITES SEZ at Bangalore, Karnataka**

After deliberations, the Board decided to grant approval to the request of M/s **Cessna Garden Developer Private Limited** for inclusion of additional area to the extent of 1.9020258 hectares in their sector specific SEZ for IT/ITES at Bangalore, Karnataka to the already approved area, thereby making the total area of the SEZ as 18.7920 hectares.

(iii) **Request of M/s Mahindra World City Developers Limited for increase in area of the IT/ITES SEZ at Chengalpattu, Tamil Nadu**

After deliberations, the Board decided to grant approval to the request of M/s **Mahindra World City Developers Limited** for inclusion of additional area to the extent of 1.43.7 hectares in their **sector specific SEZ for IT/ITES at Chengalpattu, Tamil Nadu** to the already approved area, thereby making the total area of the SEZ as 265.6 hectares.

Item No. 6: Appeal of M/s. Microcomm India Limited against cancellation of LoA by the Development Commissioner, Noida SEZ

The unit holder presented the case in which he brought out the circumstances under which the LoA could not be implemented. After deliberations, the Board decided not to revoke the cancellation of LoA. But, keeping in view, the investments already made by the firm, the Board further decided that the unit holder may be allotted space in the Noida SEZ. For this purpose, a fresh application will be made by the unit holder and the Board directed Noida SEZ to allot a space upto an extent of 2000 sq. meters to the unit holder on receipt of this fresh application as a special case.

Item No.7: Request of M/s. Raheja Haryana SEZ Developers Pvt. Ltd. for amendment in authorized operations in the engineering SEZ at Gurgaon, Haryana

After deliberations, the Board decided to grant approval to the request of M/s Raheja Haryana SEZ Developers Pvt. Ltd. for amendment in authorized operations in the non-processing area of the engineering SEZ at Gurgaon, Haryana as given in the table:-

S. No.	Authorized activities	Already approved Quantum (in Square	New Quantum Approved (in sq. meters)

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		Meters)	
1.	Residential/housing units	6000 units of 100 sq. meters each	(i) 3000 units of 100 sq. meters (total 3 lakh sq. meters) (ii) 6000 units of between 25 Sqm to 70 sqm. (3 lakh sq meters

Item No. 8: Complaints regarding cancellation of plots by Surat SEZ.

After deliberations and noting that the cases are still under litigation, the Board decided to **defer** the agenda item.

Item No. 9: Transfer of In-principle or Formal approval issued to a SEZ Developer to its subsidiary or SPV

The Board noted that there are a large number of cases pending for change of name/transfer of approvals. Since these approvals have not been effected, in many cases, the firms have not been able to make any progress in respect of the projects.

The representative of the CBDT invited attention to the letter sent by the Member, CBDT to the Chairman of the Board of Approvals, copy of which is annexed. The key issued raised by the CBDT was that there is no provision in the SEZ Act for considering such proposals and he stated that if a policy decision was to be taken then all stakeholders need to be consulted. Further it would be desirable to amend the SEZ Act or the Rules as the case may be before these proposals could be considered.

It was brought out by the Department of Commerce representatives that the Board of Approval had in the past allowed the transfer of approvals to 100% subsidiaries or to such entities where the controlling interest of the original developer continued to be there. In other cases in which the names of the companies itself had been changed these had been noted by the Board. It would not be possible for the SEZ Act and Rules to spell out every single activity and in many cases the General Clauses Act should be noted. The representative of the Department of Commerce also pointed out the cases under consideration could be described in four categories, viz., (i) where the 100% subsidiary is being created and the ownership remained with the original developers; (ii) where an SPV had been constituted on account of the requirement as stipulated by the State Government or its Industrial Development Corporations which had provided the land to have at least a 10% share; (iii) where the revised share-holding pattern was not available; or (iv) where there was a transfer of ownership. It was suggested that in the first two cases there should be no objection to the transfer as the ownership pattern remained by and large the same. There was also no question of any tax loss as these were still only at the stage of In-principle or Formal approvals.

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Discussions then took place on the issue wherein all the representatives of the State Governments and other Central Ministries opined that there may not be any objection to the transfer of the formal approval/ in-principle approval in the first two categories. Representative of the Ministry of Law reiterated the opinion expressed by them earlier.

In the detailed discussions that followed, the Members of BOA and State Government representatives were of the opinion that in terms of normal trade practices and commercial transactions, formation of subsidiaries/SPVs/JVs are quite common. These entities are created to carry out the specific functions assigned to them and they also have all the legal obligations and duties as the Principals constituting them. As long as the original ownership pattern in the changed company remains, there can be no serious reservations about change of name. Further, the misuse of tax provisions in most of the cases may not happen as they have not been formally notified and are yet to commence any serious operations. It was also noted that in the past, change of name in respect of 100% subsidiary companies were being permitted. The representative of Ministry of Law reiterated their earlier advice that it is for the administrative department to take policy decision whether to facilitate such transfers subject to the safeguards that the same is not misused or an amendment to the Act may be made. BoA took into account the advice of Ministry of Law and also the provisions under section 9 (2) of the SEZ Act. Accordingly, the Board decided to approve change of name/transfer of approvals in the following categories:-

- (i) **Category I** – Where there is mere change in name and no change in share holding pattern of the original developer.

S. No	Name of the Developer, Sector, Location, area	Details of approvals	New name requested	Reasons for change in name/transfer of approval	Shareholding pattern
1.	M/s. Raheja Haryana SEZ Developers Pvt. Ltd., IT/ITES SEZ at Gurgaon, Haryana	In-principle approval dt. 6 th July 2006 over an area of 132 hectares	M/s. Raheja SEZs Ltd.		No change of equity of the promoter including its associates and shareholding pattern
2.	Jayant Oil & Derivatives Ltd.		Biator Industries Ltd.		All the directors and director's equity is same before and after the change of name.
3.	Zillion Estates (P)		NSL SEZ (Chennai)		Shareholding

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	Ltd.		Pvt. Ltd.		pattern remain unaltered.
4	Shreeaumji Developers Pvt. Ltd.		Shreeaumji Developers SEZ Pvt. Ltd.		All the directors and director's equity is same before and after the change of name.
5	M/s. RNB Infrastructure Private Limited , textile sector in Coimbatore, Tamil Nadu	In-principle approval dt. 25 th June 2006, over an area of 107.24 hectares	M/s. RNB SEZ Coimbatore Pvt. Ltd		All the directors and director's equity is same before and after the change of name.
6.	M/s. Bajaj Auto Limited (BAL), automobile and automobile components sector, at Aurangabad, Maharashtra	Notified on 17-04-07 over an area of 100.26 ha	Bajaj Holdings & Investment Ltd. (BHIL)	The company has undergone demerger. The land demarcated for the SEZ project and related clearances stands in the name of Bajaj Auto Ltd. Post demerger, the SEZ part remained with 'Bajaj Holding and Investment Ltd.'	Promoters - 28.91%, Friends and associates of promoters - 16.26%, GDRs - 1.78%, Foreign Institutional Investors - 20.03%, Public Financial Institutions - 8.61%, Mutual Funds - 1.11%, Nationalised & other banks - 0.25%, NRIs & OCBs - 0.61%, Others - 22.45%

(ii) **Category II** – Where approval is transferred to a 100% SPV or a wholly owned subsidiary (WOS) of the developer company,

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S.N o.	Name of the Developer, Sector, Location, area	Details of approvals	New name requested	Reasons for change in name/transfer of approval	Shareholdin g pattern
1.	M/s Chiplun Infrastructure Private Limited, FTWZ in Raigad, Maharashtra	<i>Formal approval dt. 31-10-06 over an area of</i>	M/s Karanja Infrastructure Private Limited.	<i>Inspection Report for notification was recd. The land was in possession of the developer through an unregistered lease agreement between M/s Chiplun Infrastructure Pvt Ltd and M/s Karanja Infrastructure Pvt Ltd. M/s Chiplun Infrastructure Pvt Ltd is a WOS of M/s Karanja Infrastructure Pvt Ltd and the merger process of two companies is underway. The developer also submitted that once the merger process is completed, relevance of lease deed and its registration shall not exist. The developer was then advised to first complete the merger process. that as the completion of merger process of two entities is taking time, the</i>	<i>Chiplun Infrastructure Private Limited is a subsidiary of M/s Karanja Infrastructure Private Limited.</i>

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				<p><i>formal approval granted to M/s Chiplun Infrastructure Private Limited may be transferred to M/s Karanja Infrastructure Private Limited. The developer has been requested to cancel the unregistered lease agreement between the two entities so that the legal title of land remains with M/s. Karanja Infrastructure Pvt. Ltd.</i></p>	
2.	<p>M/s. Rakindo Kovai Township Pvt. Ltd. , IT/ITES at Perur Chettipalayam Village, Coimbatore District, Tamil Nadu</p>	<p>Formal approval dt. 5th December 2007 over an area of 10.12 hectares</p>	<p>Kovai Hills Township Pvt. Ltd</p>	<p>In order to have better administrative documentation and accounting convenience</p>	<p>M/s. Kovai Hills Township Pvt. Ltd is a WOS of M/s. Rakindo Kovai Township Ltd. The entire paid up share capital of 10000 equity shares of Rs. 10 each in M/s. Kowai Hills Township Pvt. Ltd. is held by M/s. Rakindo</p>

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					Kovai Township Ltd.
3.	M/s. Xansa India Limited, IT/ITES SEZ at Chennai, Tamil Nadu	Formal approval dt. 16th June 2006.	M/s. Xansa India SEZ Development Pvt. Ltd.	The developer has formed an SPV with the name 'Xansa (India) SEZ Development Pvt. Ltd.' for implementation of the project.	1. M/s. Xansa Cyprus (No. 2) Limited (99.99% shares) 2. M/s. Xansa Cyprus (No. 1) Limited (0.01% shares)

(iii)Category III- De-merger in terms of a Court decision in respect of M/s. Bajaj Holdings Pvt. Ltd.

S. No	Name of the Developer, Sector, Location, area	Details of approvals	New name requested	Reasons for change in name/transfer of approval	Shareholding pattern
1.	M/s. Bajaj Auto Limited (BAL), automobile and automobile components sector, at Aurangabad, Maharashtra	Notified on 17-04-07 over an area of 100.26 ha	Bajaj Holdings & Investment Ltd. (BHIL)	The company has undergone demerger. The land demarcated for the SEZ project and related clearances stands in the name of Bajaj Auto Ltd. Post demerger, the SEZ part remained with 'Bajaj Holding and Investment Ltd.'	Promoters - 28.91%, Friends and associates of promoters - 16.26%, GDRs - 1.78%, Foreign Institutional Investors - 20.03%, Public Financial Institutions - 8.61%,

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					Mutual Funds - 1.11%, Nationalised & other banks - 0.25%, NRIs & OCBs - 0.61%, Others - 22.45%
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(iv) Category IV- Where partly the equity is held by State Government or one of its organisations by virtue of the State Government's requirement

S.No.	Name of the Developer, Sector, Location, area	Details of approvals	New name requested	Reasons for change in name/transfer of approval	Shareholding pattern
1.	M/s. DLF Ltd., multi product SEZ at Ambala, Haryana	In-principle approval dt. 3 rd April 2006, over an area of 1012 hectares	M/s. DLF Haryana SEZ (Ambala) Ltd	The developer has signed a JV agreement with HSIDC and they have incorporated an SPV, namely, M/s. DLF Haryana SEZ (Ambala) Ltd	DLF Limited - 44995 shares, HSIDC 5000 shares, nominee of DLF Limited- 5 shares (50:50)
6.	M/s. Bharat Forge Limited, multi product SEZ at Pune, Maharashtra	In-principle approval Dt. 3 rd April 2006, over an area of 2000 hectares	M/s. Khed Economic Infrastructure Private Limited	The project would be implemented by an SPV in the name and style of M/s. Khed Economic Infrastructure Private Limited.	MIDC and Bharat Forge Limited would contribute 26% and 74% respectively to the equity capital of the SPV company

BOA also indicated that these guidelines will be valid henceforth with respect to change of name/ transfer of approval cases.

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In regard to the rest of the cases the Department of Commerce would separately examine the matter in consultation with the Department of Revenue and come up with separate policy guidelines.

Item No. 10: Request for extension of validity of formal approvals

(i) Request of M/s. Syntel International Pvt. Ltd. for extension of the validity period of formal approval beyond 3 years

The request of the developer for extension of validity of the formal approval for a period of three years was noted by the Board. It was observed that the letter of approval was issued on 9th June, 2006. After deliberations, the Board decided to grant extension of the validity period of formal approval by two years. The Board directed that the developer may come up with request for further extension of the validity period of formal approval with details of the physical progress in June, 2011.

(ii) Request of M/s. Uppal Developers Pvt. Ltd. for extension of the validity period of formal approval beyond 3 years

The request of the developer for extension of validity of the formal approval for a period of three years was noted by the Board. It was observed that the letter of approval was issued on 3rd April, 2006. After deliberations, the Board decided to grant extension of the validity period of formal approval by one year. The Board directed that the developer may come up with request for further extension of the validity period of formal approval with details of the physical progress in April, 2010.

Item No. 11: Request for relaxation in contiguity of the multi product SEZ at Naidupet Mandal, Nellore District, Andhra Pradesh proposed to be developed by Andhra Pradesh Industrial Infrastructure Corporation Limited

The proposal was discussed in detail. The Board noted that the proposed SEZ is separated by a road from Palchur village to Jayampu village and from Venkatagiri village to Naidupeta village. The representative of APIIC proposed to construct overpass/underpass to achieve contiguity. State Government has also recommended for relaxation of contiguity. After deliberations the Board decided to relax the contiguity condition in terms of the proviso to sub-rule (2) of Rule 7 of the SEZ Rules, 2006 read with SEZ (Second Amendment) Rules, 2007 dated 16th March 2007, subject to the following conditions:

- (i) Developers would establish contiguity by dedicated security gates/over bridges/under pass thereby ensuring that no unauthorized entry would be possible into the SEZ through these thoroughfares and also fence both sides of road with 2.4 meter high wall/chain link fencing and 0.6 meters barbed wire fencing as per the provisions of the SEZ Rules prior to amendment dated 16th March 2007.
- (ii) No tax benefits would be available for the measures taken to establish contiguity.

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- (iii) The formal approval from authorities concerned like NHAI and others would be submitted to the department of commerce and work for establishing contiguity would be started only after obtaining the requisite approvals.
- (iv) No LoA for any SEZ unit will be issued till the entire measures to establish contiguity and securitization of the processing area are completed.

Item No.12: Proposal for FDIs

(i) Intimation regarding FDI in IT/IES SEZ at village Gwal Pahari, Tehsil Sohna, district Gurgaon, Haryana by M/s Canton Buildwell Pvt. Ltd.

The Board noted that the proposal is for FDI investment in the IT/IES SEZ at village Gwal Pahari, Tehsil Sohna, district Gurgaon, Haryana by M/s Canton Buildwell Pvt. Ltd. In terms of the present guidelines, in SEZ, 100% FDI is permitted under automatic route. The promoter (Developer) has indicated that the equity proposed to be held by the promoter is 60.18% and the balance is to be held by the investor. The Board indicated that the promoter must ensure that his equity does not fall below 51%. In case the promoter decides to decrease the shareholding below 51% then prior approval of BoA must be taken. The Board directed that this position should be brought to the attention of the promoter (developer).

Item No. 13: Guidelines/norms for grant of second extension of in-principle approval.

The Board approved the following conditions for grant of second extension of in-principle approval:-

Type of SEZ	Conditions for grant of 1st extension	Conditions for grant of 2nd extension
	(1)	(2)
IT/ITES/G&J/Biotech/Non-conventional Energy SEZ etc. with min. Area requirement of 10 Ha and Stand alone FTWZ	Conditions laid by BoA in its 12 th meeting	No second extension to be granted in such cases.
Sector Specific SEZs other than mentioned above	Conditions laid by BoA in its 12 th meeting	Conditions for grant of first extension will be applicable. Apart from this, the developer must have 60% land acquisition/possession
Multi-product	Conditions laid by BoA in its 12 th meeting	Conditions for grant of first extension will be applicable. Apart from this, the developer must have 50% land acquisition/possession

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The cases which do not fulfil the above criteria will be placed before BoA for consideration.

The Board noted that as per SEZ Rules 2006, the in-principle approval is valid for one year and extension of validity of in-principle approval may be granted for another two years. In the light of EGoM decision prohibiting compulsory acquisition, it may be difficult to acquire 1000 hectares of contiguous land within a period of 3 years. To allow extension of validity of in-principle approval beyond 3 years in case of multi product SEZs, the Board directed to take steps to amend the relevant Rule to add such provision.

Item No.14: Request of State Government of Maharashtra for cancellation of formal approval granted for setting up of IT/ITES SEZ at Pune, Maharashtra by M/s. Bilcare Ltd.

The representative of the developer company presented the case. The Board noted that the matter is pending before High Court of Judicature at Mumbai. Accordingly, the Board decided to keep the request of Government of Maharashtra pending till outcome of the Court case. The Board further decided that till finalization of Court case, request of the developer for notification in respect of the said SEZ may not be proceeded with.

Item No.15: Appeal of Shri Ashok Raj Jain, President, Residential Plot Owners Welfare Association, Alamelu Mangapuram and Ganapathi Syndicate against Notification of M/s. Nuziveedu Seeds Limited for setting up of IT/ITES SEZ at Sholinganallur village, Kanchipuram District, Tamil Nadu

The Board noted that the matter is sub-judice. Accordingly, the Board decided to defer the proposal till outcome of the court case.

Supplementary Agenda

The Supplementary Agenda was deferred.