

Minutes of the 4th meeting of the Board of Approvals held on 21st September, 2006 under the Chairmanship of Shri Gopal K. Pillai, Special Secretary, Department of Commerce to consider proposals for setting up of Special Economic Zones.

A meeting of the Board of Approval was held on 21.09.2006 at 10.30 A.M. under the Chairmanship of Shri Gopal K. Pillai, Special Secretary, Department of Commerce to consider proposals for setting up of new Special Economic Zones. A list of participants is enclosed. **(Annexure I).**

2. The Chairman welcomed the Members to the Board of Approval meeting. Chairman informed the Board that in the recent past, issues have been raised regarding land acquisition for SEZs. He mentioned that in the last BoA meeting also a view was taken that the States may not go for large scale acquisition and the Developers should also create reasonably sized SEZs instead of very large sized SEZs. He commented that the acquisition of land for SEZs should result in better compensation for the farmers. The State Government representatives informed that every State has its own land acquisition policies and all aspects are considered while deciding to acquire land for a particular project. After detailed discussions, a consensus emerged that wherever lands are being acquired by the State Governments for SEZ purpose, preference should be given to waste and barren land. It was also agreed that even if acquisition of agricultural land becomes necessary for the purposes of meeting the minimum area requirements for the SEZ, single crop land should be acquired and the double crop land should not exceed 10% of the total area of the SEZ.

ITEM No. 1 Progress of notifications of SEZs

It was noted that 26 Notifications have been issued as on date. Chairman clarified that the list includes only the new SEZ notifications and amendment notifications as issued in case of Nokia SEZ were not included in the list.

The Chairman requested the State Government representatives to closely monitor the progress of SEZs and ensure that all such cases where formal approvals have been given should submit papers within 30 days for notifications. This would ensure that the SEZ is made operational at the earliest. The State government representatives informed that there are lot of internal procedures relating to land use, clearance from Urban Development Department, Environmental clearance, etc. which take time. It was suggested that formal approvals be granted only after the State Government is fully satisfied and then they can ensure that papers for notification are cleared within 60 days of grant of formal approvals. The Board agreed to the same.

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ITEM No. 2 Guidelines for social infrastructure in the SEZs

The Board considered the draft Guidelines for Social infrastructure in the SEZs circulated in the meeting, which was drafted in consultation with CBDT and CBEC.

During the meeting, the Member (IT), CBDT pointed out that as per the provisions of Section 4(2) of the SEZ Act, 2005, the BoA can authorize only such operations which are authorized by the Central Government. The Law Ministry representative also agreed that list of authorized operations for the SEZ needs to be notified. They opined that out of these notified authorized operations only, the Board can approve the authorized operations to be carried out in a Zone. Accordingly, the list of operations was finalized in IT/ITES, Bio-tech and Gems & Jewellery; Sector specific and Multi-product SEZs. The same is placed at **Annexure II**. It was decided that a draft notification, in terms of powers exercised under Section 4(2) of the SEZ Act, 2005, will be prepared and notified under SEZ Act, 2005 after consulting Ministry of Finance.

The Board also had deliberations on the quantum of social infrastructure. Some members were of the view that the quantum should have a linkage to employment. The Members representing Department of Revenue argued that there cannot be any non SEZ usage of the infrastructure in the SEZ. It was informed that these issues have been discussed in the official level meeting between the two departments and that it was based on the said discussion that it had been decided to issue social infrastructure guidelines. The Board after discussions decided the quantum of certain identified infrastructural facilities in the non processing area of various category of SEZs. The details of the same are placed at Annexure III.

ITEM No. 3 Criteria for selection of applications for SEZs.

The Board of Approvals also agreed on the following internal criteria to be followed by the Board for approval of SEZ Developers:

1. Minimum Investment or Net worth of the Promoter company & all Group companies & Flagship companies as follows:

- a) **Sector specific SEZs:**

Minimum investment of Rs. 250 crores or net worth of Rs. 50 crores

- b) **Multi product SEZs:**

Minimum investment of Rs. 1000 crores or net worth of Rs. 250 crores

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2. Proposals not meeting the above minimum investment or net worth criteria with enough justification for the same, to be considered on merits by the Board of Approvals.
3. These criteria would not apply to State Industrial Development Corporations etc.

ITEM No. 4 Approval for format of in-principle approvals.

The Board considered the draft in principle approval letter circulated with the agenda and the additional conditions added in the same. The suggestion to include a clause that the rehabilitation of displaced persons would be as per the RR Policy of the State Government was agreed to. It was decided to revise the draft approval letter incorporating this clause. As regards the validity of these in-principle approvals, it was decided to have a uniform initial validity of 12 months extendable by the BoA if proper justification and details of action taken for implementation is provided by the applicant. Member (CBDT) suggested that the profroma should be included in the SEZ Rules, 2006.

ITEM No. 5 Requests for change in name of the company

The issue was discussed in the BoA. A general consensus, confirmed by the Law Ministry representative emerged that in case of change of name, once the certificate of change of name is issued by the Competent Authority, the BoA has no function. The administrative department will have to just take note of the changed name. It was decided that such cases may be dealt with accordingly and BoA may be kept informed about such changes.

As regards the change of the developer company including change to an SPV, it was decided that the same should be placed before the BoA.

ITEM No. 6 Requests for change in area of SEZs

In regard to the proposals for change in area of the SEZs, the Law Ministry representative informed that as per law, so long as the area proposed is meeting the minimum area requirements as provided under Rule 5 of the SEZ Rules 2006, the same can be dealt with administratively and would not require BoA approval. The Member (CBDT) pointed out that power to allow expansion in a notified SEZ is with the BoA. It was informed that at times, the developer requests for changing the area (either increase or decrease) of the SEZ at the time of the notification.

In view of the discussion above, it was decided that the approval to various requests for changing the area of the SEZs may be approved on file, provided the proposal is for modification of the non-notified SEZs. It was further decided

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that once the proposal is notified, proposals for expansion/reduction in the area may be placed before the BoA.

ITEM No. 7 Proposals for ratification of approvals given prior to SEZ Rules and proposals for conversion of in-principle approvals to formal approvals

The proposals for ratification of approvals given prior to SEZ Rules and proposals for conversion of in-principle approvals to formal approvals were considered by the Board. A list of 13 proposals which were granted formal approvals is at Annexure IV. 7 proposals on which decision has been deferred is at AnnexureV.

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Annexure I

List of Participants at the Fourth BoA meeting of the SEZ BoA held on 21.9.2006

S. No.	Name, Designation and Organisation
1.	Shri. A Bhargava, Member, CBDT, North Block, New Delhi 110 001
2.	Shri Devender Dutt, Member (Customs), CBEC, North Block, New Delhi 110 001
3.	Shri Onkar Nath, DG (Export Promotion), CBEC, Hotel Janpath, I floor, New Delhi 110 001
4.	Shri B K Juneja, Additional Director General (Export Promotion), CBEC, Hotel Janpath, I floor, New Delhi 110 001
5.	Shri Deepak Garg, Under Secretary (ITA-I), CBDT, North Block, New Delhi 110 001
6.	Shri Dinesh Verma, CBDT, North Block, New Delhi 110 001
7.	Ms Neera Saggi, Development Commissioner, SEEPZ, Mumbai
8.	Shri Arun Kumar Bit, Development Commissioner, Falta Special Economic Zone, Kolkata
9.	Shri S C Panda, Development Commissioner, Noida Special Economic Zone, Noida, Uttar Pradesh
10.	Shri C J Mathew, Development Commissioner, Cochin Special Economic Zone, Kakkanad, Cochin
11.	Shri B Vijayan, Development Commissioner,

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	Madras Special Economic Zone, Tambaram, Chennai 600045.
12.	Dr M V Subba Reddy, Development Commissioner, Visakhapatnam Special Economic Zone, Visakhapatnam.
13.	Shri Upendra Vashisth, Joint Development Commissioner, Kandla Special Economic Zone, Kandla, Gandhidham (Kutch) (Gujarat)
14.	Shri T P Singh, Deputy Commissioner (Ind), Government of NCT of Delhi, Udyog Sadan, Patparganj, Delhi 110 092.
15.	Shri P K Santra, Deputy Director General of Foreign Trade, Office of the DGFT, Udyog Bhavan, New Delhi 110011
16.	Shri Amitabh Jain, Office of the DGFT, New Delhi 110 011
17.	Shri B S Krishna Prasad, Resident Director, Karnataka Udyog Mitra, Department of Commerce and Industries, Karnataka Bhavan, Khel Gaon Marg, Andrews Ganj, New Delhi 110 049.
18.	Shri P K Padhy, Additional Development Commissioner, DC (SSI), Government of India, Nirman Bhavan, New Delhi 110 011
19.	Shri P K Chaudhery, Principal Secretary (Industries), Government of Haryana, Gurgaon
20.	Shri Tanaji Satre, Joint CEO, MIDC, Government of Maharashtra, Mumbai
21.	Dr K Shivaji, Development Commissioner (Industries), Government of Maharashtra, Mumbai
22.	Shri S G Patil, General Manager (Marketing), MIDC, Government of Maharashtra, Mumbai.
23.	Shri R J Shah, FCIA, Government of Gujarat, Ahmedabad
24.	Shri L B Singhal, DG, Export Promotion for 100% EOU and EPZs, New Delhi 110 016.

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25.	Shri I Srinivas, Secretary (Industries), Government of Orissa, Bhubaneswar
26.	Shri Ashok Meena, Managing Director, IDCO, Government of Orissa, Bhubaneswar
27.	Shri S K Bansal, Joint Development Commissioner, Indore Special Economic Zone, Indore
28.	Shri A P Padhi, Resident Commissioner, Government of Orissa, New Delhi
29.	Shri S Misra, Resident Representative, Government of Gujarat, Ahmedabad
30.	Shri Dhruv Dhar, CSIDC, New Delhi
31.	Shri Ashok Sampatram, Principal Secretary (Industry), Government of Rajasthan, Jaipur
32.	Shri Kuldeep Ranka, Managing Director, RIICO, Government of Rajasthan, Jaipur
33.	Shri J S Negi,
34.	Shri K Rajaraman, Special Secretary, Industries Department, Government of Tamil Nadu, Chennai
35.	Shri Rattan Singh, Managing Director, PIPDIC, Pondicherry
36.	Shri Hempande, Commerce and Industry, Government of West Bengal, Kolkatta
37.	Ms. Sandhya Shukla, Ministry of Overseas Indian Affairs, Government of India, New Delhi
38.	Ms. Gauri Singh, Director, Department of Industrial Policy and Promotion, Udyog Bhavan, New Delhi 110 011
39.	Shri Inderjit Singh, Resident Commissioner, Government of Kerala, New Delhi
40.	Ms. Ratna Viswanathan, Director, Ministry of Defence, South Block, New Delhi 110 011
41.	Shri S R Dhaleta, Ministry of Law, Shastri Bhavan, New Delhi 110 001
42.	Shri Ajay Ponwal, MIDC, Government of Maharashtra, Mumbai

Annexure- II

List of authorised operations eligible for approval by the Board of Approval

(A) IT/ITES, Bio-technology & Gems & Jewellery SEZ:

- i) Roads with Street lighting, Signals & Signage
- ii) Water treatment plant, water supply lines (dedicated lines upto source), sewage lines, storm water drains and water channels of appropriate capacity
- iii) Sewage and garbage disposal plant, pipelines and other necessary infrastructure for sewage and garbage disposal, Sewage treatment plants
- iv) Electrical, Gas & PNG Distribution Network including necessary sub-stations of appropriate capacity, pipeline network etc
- v) Security offices, police posts, etc, at entry, exit and other points within and along the periphery of the site.
- vi) Effluent treatment plant and pipelines and other infrastructure for Effluent treatment
- vii) Office space
- viii) Parking including Multi-level car parking (automated / manual)
- ix) Telecom and other communication facilities including internet connectivity
- x) Rain water harvesting plant
- xi) Power (including power back up facilities)
- xii) Air conditioning
- xiii) Swimming pool
- xiv) Fire protection system with sprinklers, fire and smoke detectors
- xv) Recreational facilities including club house, Indoor/Outdoor games, gymnasium
- xvi) Employee welfare facilities like ATMs, Crèche, Medical center and other such facilities
- xvii) Shopping arcade/Retail space
- xviii) Business/Convention Centre
- xix) Common Data centre with inter-connectivity
- xx) Housing/Service apartments
- xxi) Play ground
- xxii) Bus bay
- xxiii) Food Services including Cafeteria, food court(s), Restaurants, coffee shops, canteens and catering facilities
- xxiv) Landscaping and water bodies
- xxv) Clinic & Medical Centers
- xxvi) Wi Fi/Wi Max Services
- xxvii) Drip and Micro irrigation systems

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- xxviii) Any other operation ancillary or incidental to operations specified above from (i) to (xxviii) which the Board of Approval may authorise from time to time.

(B) Sector Specific SEZs

- i) Roads with Street lighting, Signals and Signage.
- ii) Water treatment plant, water supply lines, sewage lines, storm water drains and water channels of appropriate capacity
- iii) Sewage and garbage disposal plant, pipelines and other necessary infrastructure for sewage and garbage disposal and Sewage treatment plants
- iv) Electrical, Gas & PNG Distribution Network including necessary substations of appropriate capacity, pipeline network etc
- v) Security offices and police posts at entry, exit and other points within and along the periphery of the site.
- vi) Effluent treatment plant and pipelines and other infrastructure for Effluent treatment
- vii) Office space/Shopping arcade/Retail space/ Multiplex
- viii) Housing
- ix) Hotel/Service apartments
- x) Clinic / Medical Centers/ Hospital
- xi) School/Technical Institution/Educational Institution
- xii) Parking including Multi-level car parking (automated / manual)
- xiii) Telecom and other communication facilities including internet connectivity
- xiv) Business/Convention Centre
- xv) Common Data centre with inter-connectivity
- xvi) Rain water harvesting plant
- xvii) Power (including power back up facilities
- xviii) Rail head
- xix) Access control and Monitoring system
- xx) Swimming pool
- xxi) Fire Station, Fire protection system with sprinklers, fire and smoke detectors
- xxii) Recreational facilities including club house, Indoor/Outdoor games and gymnasium
- xxiii) Employee welfare facilities like ATMs, Crèche, Medical center and other such facilities
- xxiv) Play grounds
- xxv) Bus bays
- xxvi) Food Services including Cafeteria, food court(s), Restaurants, coffee shops, canteens and catering facilities

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- xxvii) Landscaping and water bodies
- xxviii) Wi Fi/Wi Max Services
- xxix) Drip and Micro irrigation systems
- xxx) Any other operation ancillary or incidental to operations specified above from (i) to (xxix) which the Board of Approval may authorise from time to time.

(C) Multi Product SEZs

- ii) Roads with Street lighting, Signals and Signage
- iii) Water treatment plant, water supply lines, sewage lines, storm water drains and water channels of appropriate capacity
- iv) Sewage and garbage disposal plant, pipelines and other necessary infrastructure for sewage and garbage disposal and Sewage treatment plants
- v) Electrical, Gas & PNG Distribution Network including necessary sub-stations of appropriate capacity, pipeline network etc
- vi) Security offices and police posts at entry, exit and other points within and along the periphery of the site.
- vii) Effluent treatment plant and pipelines and other infrastructure for Effluent treatment
- viii) Office space/Shopping arcade/Retail space/multiplexes
- ix) Housing
- x) Hotel
- xi) Clinic /Medical Centers / Hospital
- xii) School/Technical Institution/Educational Institution
- xiii) Parking including Multi-level car parking (automated / manual)
- xiv) Access control and Monitoring system
- xv) Telecom and other communication facilities including internet connectivity
- xvi) Rain water harvesting plant
- xvii) Power (including power back up facilities)
- xviii) Swimming pool
- xix) Fire Station, Fire protection system with sprinklers, fire and smoke detectors
- xx) Rail head within the SEZ
- xxi) Port
- xxii) Airport/Air Cargo Complex
- xxiii) ICD
- xxiv) Banks
- xxv) Recreational facilities including club house, Indoor/outdoor games and gymnasium.
- xxvi) Employee welfare facilities like ATMs, Crèche, Medical center and other such facilities
- xxvii) Play grounds

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- xxviii) Golf course
- xxix) Bus bays
- xxx) Food Services including Cafeteria, food court(s), Restaurants, coffee shops, canteens and catering facilities
- xxxi) Landscaping and water bodies
- xxxii) Wi Fi/Wi Max Services
- xxxiii) Drip and Micro irrigation systems
- xxxiv) Any other operation ancillary or incidental to operations specified above from (i) to (xxxii) which the Board of Approval may authorise from time to time.

Quantum of Social Infrastructure in the non-processing area of the Special Economic Zones

IT/ITES, Biotechnology, Gems & jewellery SEZ:

- Shopping arcade/Retail space not exceeding 1000 sqm
- Housing/Service apartments with total area not exceeding 10,000 sqm

Sector Specific SEZ:

- Office space/Shopping arcade/Retail space/ Multiplex not exceeding 50,000 sqm
- Up to 7500 houses with total space not exceeding 7,50,000 sqm
- Hotel with 100 rooms/100 Service apartments with total built up area not exceeding 10,000 sqm
- Clinic & Medical Centers including a maximum 100 bed Hospital
- School/Educational Institution of total built up area not exceeding 25000 sqm

For IT/ITES, Bio-technology and gems & Jewellery Sector specific SEZs of 100 Hectares or more also the guidelines above shall be applicable.

Multi-product SEZs

- Office space/Shopping arcade/Retail space/multiplexes etc. not exceeding 200000 sqm
- Up to 25000 houses with total space not exceeding 25,00,000 sqm
- Hotel with 250 rooms/250 Service apartments with total built up area not exceeding 25,000 sqm
- Clinic & Medical Centers including a maximum 250 bed Hospital
- School/Educational Institution of total built up area not exceeding 2,50,000 sqm

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Annexure - IV

Formal approvals given in BoA on 21.09.06

Sl. No.	Developer	Location	Product	Area (hectares)
1	DLF Commercial Developers Limited	Ranga Reddy District, Hyderabad, Andhra Pradesh	IT/ITES	10.617
2	Information Technology and Communications (IT&C) Department - Hyderabad Urban Development Authority (HUDA)	Sy. No. 239/240 (P), Kokapet Village, Serilingampalli Mandal, RR District, Andhra Pradesh	IT/ITES	47.6
3	DLF Limited	Sector 30, DLF City, Gurgaon, Haryana	IT/ITES	12.14
4	Pioneer Urban Land and Infrastructure Limited	Village Ghata, Gurgaon, Haryana, very close to NH-8	IT/ITES	40.48
5	DLF Cyber City Developers Limited	Sector No. 24 & 25A, DLF Cyber City, DLF City, Gurgaon, Haryana	IT/ITES	12.54
6	Primal Projects Private Limited	Banglore, Karnataka	IT/ITES	10.36
7	Concord Investments (Banglore)	Banglore, Karnataka	IT/ITES	13.44
8	Serene Properties Private Limited	Airoli, District Thane, Maharashtra	IT/ITES	14.07
9	Maharashtra Airport Development Company Limited (MADC)	Mihan, Nagpur, Maharashtra	Multi product	2086
10	Welspun Anjar SEZ Limited	Village Varshamedi, Taluka Anjar, Maharashtra	Textile and Garment Sector	284
11	Balaji Infra Projects Limited	Dighi Port, District Raigadh, Maharashtra	Port based SEZ for multi product inclusive of FTWZ	100
12	Parsvnath Developers Limited	Indore, Madhya Pradesh	IT/ITES	30.76

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13	Parsvnath Developers Limited	Sahastra Dhara Road, Dehradun, Uttanchal	IT/ITES	14
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List of proposals deferred in BoA held on 21.09.06

Sl. No.	Developer	Location	Product	Area (hect.)	Remarks
1	Parsvnath Developers Limited	Ranga Reddy District, Hyderabad, Andhra Pradesh	Biotech-Pharma	10.11	Land ownership is not clear
2	K. Raheja Company Private Limited	Pocharam, Ranga Reddy District, Andhra Pradesh	IT/ITES	26.71	Land ownership is not clear
3	Shivajimarg Properties Limited	15, Shivaji Marg, New Delhi	IT/ITES	10.06	It is not clear whether the court case has been settled.
4	Maharashtra Industrial Development Corporation (MIDC)	Bhadravati Industrial Area, District Chandrapur, Maharashtra	Captive Power Generation sector specific	1100	CBEC asked for more time to examine the proposal.
5	Maharashtra Industrial Development Corporation (MIDC)	Usar Industrial Area, District Raigad, Maharashtra	Captive Power Generation sector specific	103	CBEC asked for more time to examine the proposal.
6	Shapoorji Pallonji and Co. Ltd	Village Phursungi, Taluka Haveli, Pune, Maharashtra	IT/ITES	15.79	The land is in name of another subsidiary company. It was decided to ask the land owner to revise application.
7	M/s. DLF Akruti Infopark (Pune) Ltd.	Pune (Maharashtra)	IT/ITES	24	State Government requested for deferment