

**Noida Special Economic Zone Authority**  
**Noida – Dadri Road, Phase –II,**  
**NOIDA- 201305**

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**Minutes of NSEZ Authority meeting held on 27/07/2017 at 11:30 AM in the Conference Room of Service Centre, NSEZ under the Chairmanship of Dr. L.B. Singhal, Chairman & CEO, NSEZ Authority.**

The following Members of the Authority were present.

1. Shri S.S. Shukla, Jt. Development Commissioner, NSEZ, Noida
2. Sh. Alok Mukherjee, Director, M/s. Syscom Corporation, NSEZ, Noida
3. Sh. Puneet Kapoor, Partner, M/s. APK Identification, NSEZ, Noida

Besides, during the meeting Md. Salik Parwaiz, Dy Commissioner, Customs, NSEZ, Shri Rajesh Kumar, Dy. Development Commissioner, NSEZ, Shri R.P. Verma, Secretary, NSEZ Authority, Shri Dharam Vir, Sr. AO, NSEZ were also present to assist the Authority. List of other participants is enclosed at Annexure-A.

At the outset, the Chairman welcomed the participants and after brief introduction, each item included in the agenda were taken up for deliberations one by one.

**Gist of discussion/decision is given below:**

**1. Ratification of the Minutes of meeting of NSEZ Authority held on 30/05/2017.**

NSEZ Authority was informed that no reference was received against any of decisions taken in its meeting of held on 30/05/2017. Accordingly the Minutes of meeting held on 30/05/2017 were ratified. Further, NSEZ Authority reviewed the compliance of decisions taken in its meeting of the Authority in terms of sub-Rule 14 of Rule 10 of SEZ Authority Rules, 2009 and expressed satisfaction over progress made in implementation of decisions taken by the Authority in its meeting held on 30.05.2017.

**2. Approval of Financial statement (Balance Sheet) for the year 2016-17 in accordance with Rule 6(1) & 12(1) and Schedule I & III of SEZ Authority Rules, 09:** The Balance sheet for the year 2016-17 prepared and audited by a nominated CA firm viz. M/s. Rajeev Sharma & Associates was placed before the Authority for approval

**Decision:-** Sh. Rajeev Sharma, F. C.A., M/s. Rajeev Sharma & Associates in the meeting explained the contents of the Balance Sheet and note on accounts. The Authority, after due deliberation approved the Balance sheet for the year 2016-17.

**3. Approval of estimate for Rs. 4,51,12,993/- for development of parks including boundary wall of parks:-**NSEZ Authority in its meeting held on 16/03/2017 was decided to award the following work to NPCC Ltd.:-

- a. Development of STP.
- b. Re-development of Parks.
- c. Construction of Boundary wall of CWC and Construction of new go-down.

Accordingly, M/s NPCC Ltd. was requested to submit detailed Scope of work and estimated cost in respect of above works vide this office letter dated 23.03.2017. Now, M/s National Projects Construction Corporation Limited, Noida has submitted the detailed estimate for park 1-4 (surrounding the Service Centre) & Park 5 amounting to Rs. 4,51,12,993/- and Rs. 2,10,90,997/- respectively (total Rs. 6,62,03,990/-) based on



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DSR' 2016 CPWD for scheduled items and market rate for non-DSR items. Details of estimate are as under:-

S. No.	Description of items	Amount
1.	Total amount of Park 1 and 1A	2,36,76,584/-
2.	Total amount of Park 2	71,31,077/-
3.	Total amount of Park 3	27,92,327/-
4.	Total amount of Park 4	23,14,686/-
5.	Total amount of Park 5	1,67,90,645/-
6.	Total(1 to5)	5,27,05,319/-
7.	Cost index on 6 @ 2% in 2016-17	10,54,106/-
8.	Cost index @ 4% on cost inflation in 2017-18	21,08,213/-
9.	Total(6+7+8)	5,58,67,638/-
10.	Contingency @3% of 9	16,76,029/-
11.	Total(9+10)	5,754,3,667/-
12.	Service tax@6% of 11	34,52,620/-
13.	Labour Cess@1% of 11	5,75,437/-
14.	Total(11+12+13)	6,15,71,724/-
15.	PMC charges@7% of 11	40,28,057/-
16.	Service Tax on PMC@15%	6,04,209/-
17.	Grand Total(14+15+16)	6,62,03,990/-

It was decided on file No. NSEZA/09/2017 that development of Park No. 5 (Near gate No. 2) may be kept in abeyance and in the first phase-parks mentioned at Sr. No. 1 to 4 (surrounding the Service Centre) may be developed for an estimated cost of Rs. 4,51,12,993/-. Hence, the proposal for approval of estimated cost @ Rs. 4,51,12,993/- was placed before the Authority for approval. M/s NPCC made a presentation before the Authority. Members discussed the various features of Estimates specially height of boundary wall proposed to be built around the parks. Members have suggested that height should not be more than 2.5 ft. to 3 ft. so that the view of park would be clear. They also proposed that a sample of boundary along with grill should be built for presentation.

**Decision:-** It was decided that height of boundary should not be more than 3 ft. and before starting construction of boundary wall a small sample will be made for presentation. Authority after due deliberation approved the estimated cost of Rs. 4,47,20,877/-(excluding labour cess) for development of parks. The payment of taxes i.e. GST shall be dealt with in accordance with prevailing Rules. Authority directed General Manager, NPCC to incorporate a condition in the Tender for all works that Labour Cess shall be borne by the Contractor and implementation of said Act/Rules be followed strictly.

4. **Approval of Estimate for Rs. 575.04 Lac for development of Solid Waste Management System:** M/s NPCC Ltd. made a presentation before the Authority in its meeting held on 30.05.2017 on Solid Waste Management System. M/s NPCC was suggested to conduct a proper survey of requirement of NSEZ, extent of solid waste with regards to Solid Waste Management and then submit a detailed scope of work and estimate so that the same could be considered by the Authority.

As suggested by the NSEZ Authority, a proper survey of NSEZ has been conducted by NPCC and they submitted survey with estimate for Rs. 5,75,04,038/-only + GST extra as applicable.



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Details of estimate are as under:-

S. No.	Description of items	Amount
1.	Total tentative cost	4,85,26,000.00
2.	Contingency @3% on 1	14,55,780.00
3.	Total(1+2)	4,99,81,780.00
4.	*Service tax@6% on 3	29,98,906.80
5.	Labour Cess@1% on 3	4,99,817.80
6.	Total(3+4+5)	5,34,80,504.60
7.	PMC charges@7% of 6	34,98,724.60
8.	*Service Tax on PMC@15%	5,24,808.69
9.	Grand Total(6+7+8)	5,75,04,037.89
	Five crores seventy five lakh four thousand thirty eight only	Say 5,75,04,038/-

\*GST will be applicable as per government order in place of service tax.

The proposal for approval of estimated cost @ 5,75,04,038/- for establishment of Solid Waste Management System was placed before the Authority for approval.

**Decision:-** Authority after due deliberations in-principle approved the project and decided to constitute a Committee headed by Joint Development Commissioner, NSEZ and comprising Sh. Puneet Kapoor, and Sh. Account Officer Sh. Dharamvir to carry out physical verification of similar projects constructed by the Agency in Noida and offer their comments. It was also decided that a copy of DPR should be given to the Members of the said Committee of NSEZ Authority for comments.

It was also decided that a proposal may be sent to the Ministry of Commerce for financial assistance under the Trade Infrastructure for Export Scheme (TIES). Authority deferred the approval of the proposed estimate till the comments of above Committee are received.

**5. Approval of estimate for Rs. 1939.77 lacs for development of Sewage Treatment Plant:**

- It is noted that M/s NPCC Ltd. has made a presentation before the Authority in its meeting held on 30.05.2017 for Sewage Treatment Plant. M/s NPCC was suggested to conduct a proper survey of requirement of NSEZ, volume of effluents etc. with regards to Sewage Treatment Plant and then submit a detailed scope of work and estimate so that the same could be considered by the Authority.

Now, M/s National Projects Construction Corporation Limited has submitted the estimate for establishment of Sewage Treatment Plant for Rs. 1939.77 lacs + GST extra as applicable as per Govt. rules, based on DSR 2016 for scheduled items and market rate for non-DSR items. Details of estimate are as under:-

S. No.	Description of items	Amount
A.	Sewage Pumping Station	
i.	Civil works	97.96
ii.	Mechanical works	54.19
	Total(A)	152.15
B.	Sewage Treatment Plant	
i.	Civil works	615.79
ii.	Mechanical works	711.45
iii.	Electrical & instrumentation works	213.33
	Total(B)	1,540.56
C.	Total capital cost(A+B)	1,692.72



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D.	Operation & maintenance for first year	51.05
E.	Total capital & O & M cost(C+D)	1,743.77
F.	Contingency @3% on E	52.31
G.	Total(E+F)	1796.08
H.	Labour Cess@1% on G	17.96
I.	PMC@7% on G	125.73
	Grand Total(G+H+I)	1,939.77
	Nineteen crores thirty nine crores only	Or say 19.39*

\*GST will be applicable as per government rules.

The proposal for approval of estimate@ Rs.19.39 Crores for development of sewage treatment plant was placed before the Authority for approval.

**Decision:-** Authority after due deliberations in-principle approved the project and decided to constitute a Committee with JDC as Chairman and Sh. Puneet Kapoor and Sr. Account Officer Sh. Dharamvir as member to visit the S.T.P. constructed by the Agency in Noida and submit a report on pattern design etc. with the recommendation of the Committee so as to place it in next Authority Meeting. It was also decided that a proposal will be sent to the Ministry of Commerce for financial assistance under Trade Infrastructure for Export Scheme (TIES). Committee defer the proposal till the comments of the nominated Members of NSEZ Authority.

6. **Approval of estimate of Rs. 34,24,406/- for development of store room for obsolete /unserviceable goods:-** M/s National Projects Construction Corporation Limited was requested vide this office letter dated 25.05.2017 to submit detailed estimate for construction of store room for obsolete /unserviceable goods. M/s NPCC vide its letter dated 15.06.2017 submitted the estimate for Rs. 34,24,406/- based on DSR' 2016 CPWD for scheduled items and market rate for non-DSR items. Details of estimate are as under:-

S. No.	Description of items	Amount
1.	Total amount for work	27,26,187/-
2.	Cost index on 1 @ 2% in 2016-17	54,524/-
3.	Cost index @ 4% on cost inflation in 2017-18	1,09,047/-
4.	<b>Total(1+2+3)</b>	<b>28,89,758/-</b>
5.	Contingency @3% of 4	86,693/-
6.	<b>Total(4+5)</b>	<b>29,76,451/-</b>
7.	Service tax@6% of 6	1,78,587/-
8.	Labour Cess@1% of 6	29,765/-
9.	<b>Total(6+7+8)</b>	<b>31,84,802/-</b>
10.	PMC charges@7% of 6	2,08,352/-
11.	Service Tax on PMC@15%	31,253/-
12.	<b>Grand Total(9+10+11)</b>	<b>34,24,406/-</b>

The proposal for approval of estimate@ Rs. 34,24,406/- for development of store room for obsolete /unserviceable goods was placed before the Authority for approval.

**Decision:-** The Authority after due deliberation approved the estimate of Rs. 33,94,641/- (excluding labour cess) for development of Store Room for obsolete/unserviceable goods. The payment of taxes shall be dealt with in accordance with prevailing Rules. Authority



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directed General Manager, NPCC to incorporate a condition in the Tender for all works that Labour Cess shall be borne by the Contractor and implementation of said Act/Rules be followed strictly.

**7. Approval of estimate of Rs. 10.80 crores for maintenance of Zone submitted by NBCC Services Ltd:-**

M/s NBCC Services Ltd. vide its letter dated 17.07.2017 had submitted an estimate amounting to Rs. 10.80 Crores (including NSL charges) along with technical specification for operation and maintenance of firefighting system, electrical installations, lifts, housekeeping, horticulture works, IT related works and providing Security Services for the next year. NSL has requested that financial approval of the total estimated cost of Rs. 10.80 Crores may be accorded to further process of tendering/finalization of the agency.

Details of proposed estimate as under:-

S.No.	Name of the Services/works	Previous Estimate (in lacs)	Proposed Estimate (in Lacs)	Difference
1.	Maintenance of Park/Lawn and other Horticulture works in NSEZ.	89.93	94.33	4.40
2.	Providing manpower for round the clock Security Services at NSEZ	163.61	266.65	103.04
3.	Comprehensive maintenance & operationalization for all types of goods/passenger lifts installed in SDF blocks in NSEZ	98.03	99.63	1.60
4.	Annual repair and maintenance( day to day) cleanliness of drainage system, sewer system, housekeeping in NSEZ office complex and SDF Blocks, lifting of garbage and <u>mechanized road</u> sweeping at NSEZ, Noida <b>OR</b> Annual repair and maintenance( day to day) cleanliness of drainage system, sewer system, housekeeping in NSEZ office complex and SDF Blocks, lifting of garbage and <u>without mechanized road</u> sweeping at NSEZ, Noida	100.37	220.22 <b>OR</b> 172.22	119.85 <b>OR</b> 71.85
5.	Operation and routine maintenance of water supply, Plumbing works, firefighting, all electrical works including solar system, maintenance of fountains etc in NSEZ.	139.38	132.24	-7.14
6.	Running operation, maintenance and management of Hardware, software, LAN and wireless networking system etc and deployment of manpower in the office of DC NSEZ, Noida.	55.54	128.30	72.76
7.	Total	646.86	941.37 <b>OR</b> 893.37	294.51 <b>OR</b> 246.51



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NSL has submitted the two estimate as mentioned below-

S.No.	Total project cost	Amount	NSL Charge 15%	Total(in lacs)
1.	With mechanized road sweeping	941.37	141.21	1082.58
2.	Without mechanized road sweeping	893.37	134.01	1027.38

The Reason for difference in amount were explained as under:-

S. No.	Name of the Services/works	Difference	Reasons
1.	Maintenance of Park/Lawn and other Horticulture works in NSEZ.	4.40	Increment in the minimum wages
2.	Providing manpower for round the clock Security Services at NSEZ.	103.04	Increase in minimum wages, extra cost for 12 no. security supervisor on DGR wages, extra cost for 6 no. supervisor, extra cost for providing patrolling vehicle (2 No. motorbike and 1 Four wheeler)
3.	Comprehensive maintenance & operationalization for all types of goods/passenger lifts installed in SDF blocks in NSEZ	1.60	Increment in minimum wages.
4.	Annual repair and maintenance( day to day) cleanliness of drainage system, sewer system, housekeeping in NSEZ office complex and SDF Blocks, lifting of garbage and <u>mechanized road sweeping</u> at NSEZ, Noida <b>OR</b> Annual repair and maintenance( day to day) cleanliness of drainage system, sewer system, housekeeping in NSEZ office complex and SDF Blocks, lifting of garbage and <u>without mechanized road sweeping</u> at NSEZ, Noida	119.85 <b>OR</b> 71.85	Increment in minimum wages, extra cost for Tractor & Trolley, JCB Machine (Once a week) for lifting Garbage, Increment of Manpower in Housekeeping and Extra Cost (Rs. 48 Lacs) for mechanized Road sweeping.  Increment in minimum wages, extra cost for Tractor & Trolley, JCB Machine (Once a week) for lifting Garbage, Increment of Manpower in Housekeeping.
5.	Operation and routine maintenance of water supply, Plumbing works, firefighting, all electrical works including solar system, maintenance of fountains etc in NSEZ.	-7.14	Reduce of manpower in firefighting, plumbing, reduce in cost of Electrical services (which are not required), Extra cost for increment in No. of AC's and increment in Estimate for LED lights and water supply works.
6.	Running operation, maintenance and management of Hardware, software, LAN and wireless networking system etc and deployment of manpower in the office of DC NSEZ, Noida.	72.76	Increment in manpower of Data Entry Operators as per equipment and increment in minimum wage as per market.



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The Proposal was placed before the Authority for taking a view on the revised proposal. The Members of Authority asked CEO, NBCC Services Ltd. to see as to whether revised estimate could be determined on the basis of actual amounts spent on these activities plus additional expenditure on account of proposed additions in requirement of Services/personnel and increase in minimum wages. Sh. Tejpal Garg, CFO of M/s NBCC Services Ltd. informed that GST Act has come into operation w.e.f. 01.07.2017 and minimum wages had increased. In the last contract, erroneously, the clause relating to increase in cost due to increase in minimum wages could not be incorporated. Hence they will have to go for revised tender incorporating the clause relating to minimum wages. He also informed the members of the Authority that the projection is merely an estimated cost and these may go down when tender is finalized as has been their experience in past.

**Decision:-** The Authority concurred with the proposal of M/s NBCC Service Ltd. to go for re-tender at an estimated cost of Rs. 10.27 Crores (without Mechanized sweeping). The Authority informed M/s NBCC Services Ltd. that under the Integrated Goods and Service Tax Act, a new concept of "Zero Rated Supplies of goods/services" has been introduced. As per Section 16 of the Integrated Goods and Service Tax Act, supply of goods or services or both to a Special Economic Zone developer is zero rated Supplies. Further, as per Section 7 sub-section (5) clause (b) of the Integrated Goods and Service Tax Act, Supply of Goods or Services or both to or by a Special Economic Zone Developer shall be treated to be a supply of goods or services or both in the course of Inter-State Trade or Commerce. Therefore, the Goods and Service Tax that shall be applicable in transactions with SEZ Developer shall be Integrated Goods and Service Tax on zero rated.

8. **Levy of Transfer charges in case of transfer of property in case of inheritance:** Board of Approval in its meeting held on 08.03.2017 approved the proposal for change in promoter and shareholding of M/s Sahdev international. Accordingly, change in promoter and shareholding of M/s Sahdev International from 'proprietary firm of Late Shri Vasdev Sahdev' to "proprietary firm of Shri Shashi Sahdev" w.e.f. 28/08/2016 was taken note of. However, as per NSEZ Authority norms as decided in its meeting held on 04.09.2012, "In case of company/partnership, even if the LOA is same, no transfer charges shall be levied if there is change/transfer of equity up to 50%, but transfer charges shall be levied if more than 50% share/promoters/directors/partners are changed. In case of proprietary concerns, if there is changes of hands, transfer charges shall be levied. In case there is change in name only with no changes in constitution and ownership, no transfer charges shall be levied."

In the aforesaid matter proprietorship has been changed from father to son. Property has been transferred to a legal heir from Sh. Vasdev Sahdev to Sh. Shashi Sahdev. Existing NSEZA Bylaws are silent on the matter. As per Noida Authority Bye-laws, transfer charges are not applicable in those matters where property is transferred to a legal heir.

It was placed before the Authority for deliberation and decision.

**Decision:-** Authority after due deliberation decided that in cases of inheritance, transfer charges shall not be applicable.

9. **The Proposal of M/s NBCC to condone delay for completion of works in respect of renovation of Staff Quarters.:-** It is submitted that it is submitted that NBCC was awarded the work for renovation of staff quarters on 06.07.2015. As per work award contract, the work was to be completed upto 28.07.2016 but NBCC has completed the work on



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31/03/2017 after delay of 8 months. The amount withheld for delay Rs. 37,35,878/- (@1% of estimated cost of Rs. 2,33,49,237/- on every 15 days delays for 8 months).

NBCC has requested to condone delay as the staff quarters were occupied by the allottees and were handed over to NBCC in phased manner.

The proposal to condone delay is placed before the Authority for consideration/approval.

**Decision:** Authority after due deliberation decided to accept reasons for delay submitted by M/s NBCC and the delay in completion was condoned.

10. **Review of ongoing projects awarded to NBCC.** Details of the Projects awarded to NBCC were placed before Authority for monitoring/review.

NSEZ Authority monitored the progress of all projects one by one. Chairman directed M/s NBCC India Ltd. to complete all projects including construction of Block 'M' as per time schedule given in the contract or within extended time.

11. **Estimate for repairing of Foot path & fixing of tiles from Gate No. 1 to DSC road in NSEZ, Noida:-** NPCC vide its letter dated 11/07/2017 has submitted scope of work & estimates @ 18,30,534/- for repairing of footpath & fixing of tiles from gate no. 1 to DSC road in NSEZ, as called for vide this office letter dated 21/06/2017. Details of the estimate are placed as under:

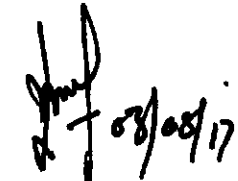
S. No.	Description of items	Amount
1.	Total of civil works	16,45,571.59
2.	Contingency @3% on 1	49,367.15
3.	<b>Total(1+2)</b>	<b>16,94,938.74</b>
4.	PMC charges@7% of 3	1,18,645.66
5.	Labour Cess@1% on 3	16,949.39
6.	<b>Grand Total(3+4+5)</b>	<b>18,30,534.00</b>

It was decided on file No. NSEZA/09/2017 that deposition of labour cess @1% would be responsibility of contractor and NBCC has is also not charging labour cess. The proposal for approval of estimate @ Rs. 18,13,585/- (excluding Labour Cess@1% on 3) was placed before the Authority for approval.

**Decision:-** The Authority after due deliberation approved the estimate of Rs. 18,30,534/- for repairing of footpath & fixing of tiles from gate no. 1 to DSC road in NSEZ. The payment of taxes i.e. GST shall be dealt with in accordance with prevailing Rules. Authority directed General Manager, NPCC to incorporate a condition in the Tender for all works that Labour Cess shall be borne by the Contractor and implementation of said Act/Rules be followed strictly.

Meeting ended with the thanks to the Chair.

  
(S.S. Shukla) 3/8/2017  
Joint Development Commissioner

  
(Dr. L.B. Singhal)  
Chairman & CEO