

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

**Minutes of the 4<sup>th</sup> NSEZ Authority meeting (2015 series) held on 26/10/2015 at 12:30 PM**

The NSEZ Authority meeting was held on 26/10/2015 at 12:30 PM in the Conference Room, Service Centre, NSEZ under the Chairmanship of Dr. L.B. Singhal, Chairman & CEO, Noida SEZ Authority. The following Members of the Authority were present.

1. Shri S.S. Shukla, Jt. Development Commissioner, NSEZ, Noida
2. Shri G. Srinivasan, Under Secretary to the Govt. of India, Ministry of Commerce & Industry, Deptt. of Commerce, Udyog Bhawan, New Delhi (Rep. of the Jt. Secretary, DoC).
3. Shri Manvendra Singh, Jt. DGFT, Kanpur.
4. Shri Rajesh Jain, Member, CMD, M/s. Neokraft Global Pvt. Ltd., NSEZ, Noida.

Besides, S/Shri Rakesh Kumar, Dy. Development Commissioner, Ravi Kumar Srivastav, Dy. Development Commissioner, Dharam Vir, Sr. Accounts Officer, NSEZ, and R.P. Verma, Secretary, NSEZ Authority were also present to assist the Authority.

2. **After brief introduction, each items included in the Agenda were taken up for discussion one by one and after detailed deliberations the following decision were taken:-**

1. **Ratification of the minutes of the Authority meeting held on 29/06/2015 and review of compliance of the decisions taken in the said meeting :**

NSEZ Authority ratified the Minutes of the meeting held on 29/06/2015 and reviewed the compliance of the decisions taken in the previous meeting of the Authority in terms of sub-Rule 14 of Rule 10 of SEZ Authority Rules, 2009. The Authority expressed satisfaction over progress made in implementation of decisions taken by the Authority in its earlier meeting held on 29/06/2015. However, it directed that the matter relating to exemption of NSEZA from payment of Income Tax under section 10 (46) of SEZ Act, 2005 may be vigorously followed.

2. **Approval for estimate amounting to Rs. 17, 95, 43,188/- (Rupees Seventeen Crores Ninety Five Lakhs Forty Three Thousands One Hundred Eighty Eight Only) for construction of boundary wall submitted by NBCC:-**

It was informed to the Authority that in the NSEZ Authority meeting held on 23.3.2015 inter alia it was decided that 4 km boundary wall be replaced by RCC due to deteriorated condition of initially constructed boundary wall by bricks. 02 K.M. RCC boundary wall was constructed by NBCC during the year 2014 against the total cost of Rs. 5,64,84,135/- (Rupees Five Crores Sixty Four Lacs Eighty Four Thousands One Hundred Thirty Five Only). It was further informed that the Authority in its said meeting had invited NBCC to discuss the issue for construction of 4 KM boundary wall (out of remaining 5 Kms.) as per budgetary provision for the year 2015-16. NBCC had made a presentation before Authority on 23/03/2015 for two types of walls given below:

- a) 14 fts. CC with concertina coil fencing of 600 mm dia.
- b) 10 fts. CC with 4 fts. electric fencing.

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The Authority had directed NBCC to submit comparative estimate for both options. NBCC had submitted estimates for 14 fts. CC with concertina, coil fencing only for Rs. 17,95,43,188/- (Rupees Seventeen Crores Ninety Five Lakhs Forty Three Thousands One Hundred Eighty Eight Only) which was produced before the Authority in its meeting held on 29/06/2015.

The Authority had however deferred the proposal for want of clarification from NBCC for second option i.e. 10 fts. concrete wall with 4 fts. electric fencing. NBCC vide their letter dated 17/10/2015 had informed that during review meeting, their technical wing had not agreed for such proposal. Therefore, the Authority approved the budget of Rs. 20.00 crores for the 3 works namely- (i.) Construction of 4 KM RCC Boundary Wall - 14 fts. CC with concertina coil fencing of 600 mm dia (2nd Phase) (ii.) Repairing of Staff Quarter Type 'A' & 'C', NSEZ (iii.) Replacement of street light of Security Road, NSEZ, against which an estimate of Rs. 21,96,05,627/- (Rupees Twenty One Crores Ninety Six Lakhs Five Thousands Six Hundred Twenty Seven Only) has been received from M/s. NBCC. Details are as under:-

Description of work	Budget approved	Estimate submitted by NBCC
i. Construction of 4 KM RCC Boundary Wall 14 fts. CC with concertina coil fencing of 600 mm dia (2 <sup>nd</sup> Phase)	Rs. 20.00 crores	i. Rs.179543 188/-
ii. Repairing of Staff Quarter Type 'A' & 'C', NSEZ		ii. Rs. 23940280/-
iii. Replacement of street light of Security Road, NSEZ		iii. Rs. 16122159/-
Total	Rs. 20.00 crores	Rs. 219605627/-

The Authority noted that works relating to (ii) & (iii) on above table has already been awarded to NBCC and work has actually commenced.

Authority further noted that work of construction of boundary wall has not yet been awarded to NBCC. Therefore, the total amount earmarked for construction of Boundary wall is not likely to be utilized during the current financial year. Hence within the overall budget of Rs. 20 crores as approved by NSEZ Authority, the work relating to construction of 4 Km RCC boundary may be awarded to NBCC.

In view of above, the estimate for Rs. 17, 95, 43, 188/- (Rupees seventeen crores ninety five lakhs forty three thousands one hundred eighty eight only) for construction of boundary wall by NBCC was placed before the Authority, for consideration and approval.

**Decision:** NSEZ Authority, after due deliberations, approved the estimate submitted by NBCC for Rs. 17, 95, 43, 188/- (Rupees seventeen crores ninety five lakhs forty three thousands one hundred eighty eight only) for construction of boundary wall by NBCC.

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**3. Fire Fighting work at SDF- F, G, H & I Blocks – approval of estimate amounting to Rs. 8,43,31,235/- (Rupees Eight crores forty three lakhs thirty one thousands two hundreds thirty five only) submitted by NBCC:-**

It was informed to the Authority that SDF – F G H & I blocks were constructed by Noida Authority during the year 1990. The provision of dedicated Under Ground Reservoir (UGR) and effective fire control system was not made / constructed by Noida Authority. Rising line from tube-well laid by Noida has also been damaged.

A meeting was convened by the then DC with NBCC on 02/06/2015 wherein it was decided to construct a dedicated UGR. NBCC was requested to identify the area for

UGR and submit estimate for UGR & Firefighting System in SDF- F, G, H, & I blocks.

NBCC vide its letter dated 10/08/2015 had submitted a revised estimate for Rs. 8,96,38,687/- including Service Tax. The estimates submitted earlier was Rs. 8,43,31,235 (Rupees Eight crores forty three lakhs thirty one thousands two hundreds thirty five only) as Service Tax was not included in the estimate.

The estimate of Rs. 8,96,38,687 (Rupees eight crores ninety six lacs thirty eight thousands six hundred eighty seven only) for constructions of UGR was placed before Authority for consideration and approval.

**Decision:** NSEZ Authority approved the estimate for Rs. 8,96,38,687 (Rupees eight crores ninety six lacs thirty eight thousands six hundred eighty seven only) for construction of dedicated U.G.R. for firefighting and fixing of effective fire control system in SDFs F G H and I Blocks. The Authority directed Secretary, NSEZ Authority to obtain Service Tax registration number from concerned Service Tax Commissionerate so as to avail Service Tax exemption/refund by NSEZ Authority as applicable to SEZ Developers.

**4. Reconstruction of damaged identified roads within approved budgetary limit for Rs. 10.00 crores:-**

It was informed to Authority that 40% of the roads have been reconstructed by the NBCC during the year 2013-14 against the total cost of Rs. 9,77,86,621/-

It was decided in the NSEZ Authority meeting held on 30/07/2013 that remaining 60% roads should also be got repaired/reconstructed. The Authority empowered CEO to decide an agency for awarding the work. Hence, it was decided by CEO on the file that Noida Authority, U.P. Jal Nigam, HSSCC (India) should also be requested to submit EoIs and discuss with JDC for exact scope of work etc. However, no one has expressed interest in the said work except NBCC & UP Jal Nigam. But UP Jal Nigam did not submit the estimate. Whereas NBCC submitted the same for Rs. 24,80,26,954/- (Rupees twenty four crore eighty lac twenty six thousand nine hundred fifty four only) on 30/05/2014.

NSEZ Authority in its meeting held on 05/02/2015 had deferred the proposal for want of identification of the roads to be re-constructed. The roads have now been identified. Copy of Map showing the identified roads display with different numbers and was enclosed with the agenda for reference.

It was further informed that the Authority has made budgetary provisions of Rs. 10.00 Crores (Rupees ten crores only) for reconstruction of roads for the year 2015-16 and the proposal for re-construction of roads as per Map is considered and approved, NBCC may be requested to submit revised estimate for proposed roads to be constructed by Bitumen.

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**Decision:** NSEZ Authority considered the proposal for reconstruction of damaged roads identified in the map enclosed with the agenda & approved in principle the proposal. It was decided that NBCC may be asked to submit revised estimate for reconstruction of damaged roads so that financial approval by NSEZ Authority may be obtained.

**5. Repairing of boundary wall of Park behind Service Centre, Park near Water Overhead Tank, Outer wall of Industrial Canteen presently allotted to M/s. Top Foods: -**

It was informed to the Authority that condition of boundary wall of Park behind Service Centre, boundary wall of Park/ Industrial Canteen near Water Overhead Tank is very shabby. Hence it was proposed to get it repaired through NBCC. The said agency may be requested to submit Scope & Estimate of works.

The proposal was placed before NSEZ Authority for consideration and approval.

**Decision:** NSEZ Authority approved the proposal in principle. It was decided to obtain the Scope & Estimate of works from NBCC for both the options given below:

- i. Repair of proposed Boundary wall with Grit Wash Or;
- ii. Repair of proposed Boundary wall by fixing of stones.

Once estimates for both the options are received, the same would be discussed in the next meeting of NSEZ Authority.

**6. Repair of drains and laying of Drain covers where provision has not been made earlier and replacement of spoiled drain covers:-**

It was observed that condition of drains/drain covers specially surrounding of Service Centre/ SDFs have become miserable and drain covers at some places have not been laid. Accordingly, NBCC was requested to submit estimate for the same. NBCC has submitted estimate for Rs. 1,46,17,264/- (Rupees one crore forty six lacs seventeen thousands two hundred sixty four only) on 08.10.2015.

In view of above, the estimate of Rs. 1,46,17,264/- (Rupees one crore forty six lacs seventeen thousand two hundred sixty four only) for repair of drains and laying drain covers) submitted by NBCC was placed before Authority for approval. The budget provision has not been made for this work. Hence, two options were placed for consideration of the Authority:-

- a. The expenditure may be met from the unutilized fund of other ongoing works or;
- b. Provision/ under RE budget may be made for the work.

**Decision:** NSEZ Authority, after due deliberations, approved the estimate for Rs. 1,46,17,264/- (Rupees one crore forty six lacs seventeen thousand two hundred sixty four only) for repairing of drains and laying of drain covers by NBCC. The Authority further decided that total budget provision was not made for this work, further decided that expenditure may be met from unutilized funds of other ongoing works during the current financial year.

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**7. Fixation of Reserve Price for the disposal of the Buildings constructed by the Units at plots allotted to them in Noida SEZ**

- A. It was informed to the Authority that at present NSEZA is adopting the following formula to fix the Reserve Price to dispose of the Assets/building constructed by an entrepreneurs, in case surrender of building/plot by NSEZ unit either on exit or cancellation of LOA/allotment of plot :-
- i. Cost of the building as evaluated by the Govt. Regd. valuer
  - ii. Cost of Plant/Machinery/ other materials as evaluated by the Govt. Regd. valuer, if unit does not remove it at its own.
  - iii. Outstanding lease rent/ other user charges of NSEZA
  - iv. Liability of Customs duty, if any. In case unit has not produced 'NOC' from Customs.
  - v. Sum of allotment charges at par with Noida Authority (area x rate of Noida Authority for Industrial Plots in Phase-II).
  - vi. Fee for auctioneer.
  - vii. Advertisement/ Misc expenses for conducting auction

**Decision:** NSEZ Authority took note of the above practices followed for fixation of Reserve Price for disposal of buildings constructed by the units at plots allotted to them in NSEZ. The Authority decided to forward the practice being followed in NSEZ to DoC also so as to include it in the agenda of DC's meeting in order to ensure uniformity in all Central Govt SEZs.

B. It was informed that in case of liability of Banks/other financial institutions, if, NSEZA has given 'NOC' for mortgage, auction is conducted by Bankers etc. Authority submits the claims in r/o outstanding lease rent / other user charges to Financial Institutions.

Note:- In case of liability of Banks/Other financial institutions/customs/ lease rent, the auction proceeds are required to be divided amongst all on pro-rata basis after deducting the expenses of the sale and amount, if any, due to the central Govt. or the statutory Authority on account of arrears of rent or damages or costs, to be paid to such persons as may be appear to the Estate Officer to be entitled to the same.

**Decision:** NSEZ Authority, after detailed deliberations, decided to continue the practice as explained above till further review. However it was decided that the practice followed in other Central Govt. SEZ may be ascertained and placed in next Authority meeting for review.

C. It was also informed that the following aspects are not taken into consideration at the time of fixation of reserve price as units record is required to be produced before their concerned officers:

- (a) Liability of Commercial Deptt. (VAT), if any
- (b) Liability of Service Tax, if any
- (c) Liability of UPPCL

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In order to make consolidated guidelines for fixation of Reserve Price of building/other assets the above facts were brought to the notice of NSEZA for consideration/addition/deletion of the factors for determination of Reserve Price.

**Decision:** - Authority deferred the issue and directed to ascertain the practice followed by other Central Govt. SEZs. It was decided that as of now if any case comes for disposal of building etc. an undertaking/affidavit to this effect may also be taken from the unit that no dues of above agencies are pending against the SEZ unit and in case any liability, penalty is imposed and required to be paid subsequently, the unit/ promoters will have to pay the same.

**8. Additional Agenda with the approval of Chairman & CEO, NSEZA**

**1. Sifting of Branch office of NSEZ Authority from PHD House to STC Building, Janpath.**

**Decision:** The need of shifting of Branch office from PHD House to STC Building Janpath was explained. It was informed that NSEZ is the only Central Govt. SEZ in the northern India. The Jurisdiction of NSEZ in respect of state & Private Sector SEZs and EOUs is spread over in nine states. DC, NSEZ is required to interact with exporters from Northern India. Besides, DC is required to regularly attend meetings in Deptt. of Commerce, O/o DGFT, CBEC/CBDT etc. For this purpose a centrally located city office of NSEZ will be very useful. Authority, after deliberations, approved the proposal in principle subject to approval by Deptt. of Commerce in terms of sub-section (4) of section 31 of SEZ Act, 2005.

**2. Development of entry point of NSEZ at Dadri Road.**

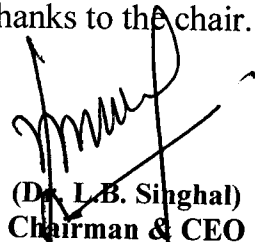
**Decision:-** NSEZ Authority felt that face-lifting of entry point of NSEZ is required by executing landscaping work etc. The Authority approved to obtain estimate from NBCC for landscaping and face-lifting of entry point of NSEZ at Dadri Road. The Authority also desired to explore possibilities to get the area developed through, interested units in NSEZ.

Meeting ended with the vote of thanks to the chair.



(S.S. Shukla)

Jt. Development Commissioner



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