

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

Minutes of the meeting of NSEZ Authority held on 06/10/2016 at 11:30 AM in the Conference Room, Service Centre, NSEZ under the Chairmanship of Dr. L. B. Singhal, Chairman & CEO, NSEZ Authority.

The following Members of the Authority were present:-

- i. Shri Manvendra Singh, Jt. DGFT, Kanpur.
 - ii. Shri S.S. Shukla, Jt. Development Commissioner, NSEZ.
 - iii. Shri G. Srinivasan, Under Secretary, Deptt. of Commerce (Rep. of Joint Secretary, Deptt. of Commerce, Govt. of India).
 - iv. Shri Alok Mukherjee, Director, M/s. Syscom Corporation Ltd., NSEZ
 - v. Shri P.K. Jain, Rep. of Sh. Rajesh Jain, CMD, M/s. Neokraft Global Pvt. Ltd., NSEZ
2. Besides, during the meeting S/ Shri R.K. Srivastava, Dy. Development Commissioner; Dharam Vir, Sr. Accounts Officer; R.P. Verma, Secretary, NSEZ Authority; Rajeev Sharma, FCA, M/s. Rajeev Sharma & Associates; and Sh. S.K. Soni, Addl. GM, NBCC were also present to assist the Authority.

3. At the outset, 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 the Authority meeting held on 23/06/2016.

NSEZ Authority was informed that no reference was received against any of the decisions of NSEZA taken in its earlier meeting held on 23/06/2016. Accordingly, the Minutes of the meeting held on 23/06/2016 were ratified. Further, NSEZ Authority 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 and expressed satisfaction over progress made in implementation of decisions taken by the Authority in its meeting held on 23.06.2016. It was informed to the members that nomination of work executing agency has been put on hold in view of recent amendment in GFR 126. A reference has been made to the Ministry of Urban Development to clarify whether NBCC can straightway be awarded the work without ensuring competition. In case competition with the other agencies is to be ensured, Ministry of Urban, Department was requested to provide a list of agencies notified by them for execution of work. Reply for ministry of Urban Development is awaited. On receipt of reply from Deptt. of Urban Development it will be placed for decision.



2. Monitoring of projects awarded to M/s NBCC:

Details of the Projects awarded to NBCC was placed before Authority for monitoring/review. NSEZ Authority monitored the progress of all projects one by one. Sh. G.Srinivasan, Under Secretary, Deptt. of Commerce suggested that video clips may be displayed before the Authority in its future meetings so as to correctly assess the physical progress of various works being undertaken by M/s. NBCC. Sh. Soni, AGM, NBCC consented to do so in future.

3. **Date of transfer for transfer of assets & liability under rule 74A of SEZ Rules, 2006** – It was placed before the Authority that in some cases of transfer, it has been observed that LOA/Lease deed of Transferor unit was valid on the date of approval given by UAC but unit took some time in completing the formalities for transfer and meanwhile validity of LOA/lease of transferor unit lapsed. Recently a case of M/s Kris Flexi packs Pvt. Ltd. was examined and such situation was found. The case was approved on file to transfer assets & liabilities to the transferee viz M/s Maya Crafts keeping in view the fact that when the Approval Committee had approved transfer of assets/liabilities LOA/Lease deed was valid . It was observed that in such cases, there should not be need for revalidation of LOA. Authority, after deliberations, ratified the same.
4. **Guidelines for recovery of lease rent from Functional units who are in default for nonpayment of lease rent beyond 3-4 quarters.** The guidelines approved by the Authority in its meeting held on 05/03/2013 was placed before Authority for review as under:

Guidelines for effective monitoring / collecting Lease Rent approved on 05/03/2013.

- a) A Demand Notice for lease rentals shall be served to all allottees within 10 days from commencement of quarter.
- b) No interest shall be charged if allottees deposit lease rent with in the first month of the quarter.
- c) If allottees does not deposit lease rent within first month of quarter then no concession shall be granted and interest shall be charged @ 12% per annum from first day of quarter till the date of deposition of lease rentals. A reminder shall be issued to the unit in the 3rd month of first quarter if the unit fails to deposit the advance lease rent.
- d) In case unit fails to deposit lease rent till 2nd month of 2nd quarter, action under P.P. Act, 1971 shall be initiated and Notice Under Section -7 shall be served in the 3rd month of 2nd quarter.
- e) In case unit fails to deposit lease rent within 30 days from date of issue of Notice under Section-7, Notice then notice under Section 4 of P.P. Act, 1971 shall be served and Import/DTA sale of the allottees shall be stopped till the clearance of lease rent.



- f) In case unit fails to comply the Notice of Section 4 of P.P. Act, 1971, and does not deposit lease rentals by the end of 2nd quarter, the Estate Officer in exercise of the power conferred on him under Sub-Section (1) of Section 5 of the Public Premises (Eviction of Unauthorized Occupants), Act. 1971 may issue Eviction Order against the unit/ allottees subject to condition that before issue of Eviction Order an opportunity of being heard shall be granted to the allottees. Chairman & CEO of the Authority shall schedule a Personal Hearing for allottees. CEO shall be empower to give time extension for depositing lease rentals on reasonable ground either in installments or in one lot as he thinks fit.

It was informed that some case of functional units have come to the notice who have not responded to the notices issued by this office under section 7 & 4 of P.P. Act, 1971. NSEZ Authority has no option except issue of Eviction Order and Recovery Certificate. It was informed that once RC or EO is issued, it will not be possible for the unit to run till payment of outstanding dues.

In view of above, the following amendments in the guidelines were proposed:

“The clause (e) be replaced by following provision and a clause (ee) be inserted:

Clause (e):- “ in case unit fails to deposit lease rent within 30 days from the date of issuance of notice under section 7 then the Estate Officer shall issue an order under section 7 of P.P. Act as prescribed vide Form ‘E’ under said section.”

Clause (ee):- “In case unit fails to deposit outstanding lease rent as confirmed vide order issued under section 7 within 30 days from issuance of order, online facility for filing requests by the unit for import/DTA sale shall be blocked till clearance of outstanding lease rent in case of functional units and RC shall be issued in case of non-Functional units. In case LOA of the unit has already expired, notice under section 4 shall also be issued. If, the functional unit does not deposit the lease rent within 30 days of blocking the online facility or issue of RC, in case of nonfunctional unit, then notice under section 4 shall be issued.



Decision: NSEZ Authority after due deliberations, approved the amendments in guidelines as proposed above with the suggestion that action for issue of orders be ensured within 30 days from the date of expiry of limit as given in the Notices.

Clause 'F is amended as under:


“In case unit fails to comply with the Notice of Section 4 of P.P. Act, 1971, and does not deposit lease rentals by the end of 3rd quarters, the Estate Officer in exercise of the power conferred on him under Sub-Section (1) of Section 5 of the Public Premises (Eviction of Unauthorized Occupants), Act. 1971 may issue Eviction Order against the unit/ allottee subject to condition that before issue of Eviction Order an opportunity of being heard shall be granted to the allottees. Chairman & CEO of the Authority or any officer authorized by him shall schedule a Personal Hearing for allottee. The CEO or any officer authorized by him shall be empowered to give time extension for depositing lease rentals on reasonable ground either in installments or in one lot as he thinks fit. But installment should not ^{be} less than 10% of the outstanding lease rent.

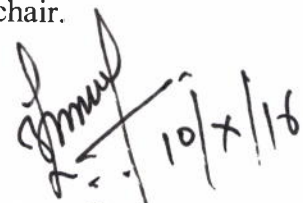
5. Additional points, if any, with the approval of Chairman & CEO.

Sh. Alok Mukherjee, MD of M/s. Syscom Corporation Pvt. Ltd. emphasized the need of proper internet connectivity at Gate No (2) either through Wi-Fi or Dongle. The chairman & CEO directed to make proper arrangement at the earliest.

Sh. PK Jain, COO of M/s. NeoKraft Global Pvt. Ltd. explained the need of shelters and public conveniences at main road. It was informed to the Authority that NSEZ is constructing 6 Nos. of Public Conveniences and construction work is going on. The matter of shelter shall be taken up in next financial year.

Meeting ended with vote of thanks to the chair.


(S.S. Shukla) 10/10/18
Jt. Development Commissioner


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