

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

Minutes of NSEZ Authority meeting held on 16/03/2017 at 4:00 PM 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 Manvendra Singh, Jt. DGFT, Kanpur,
2. Shri S.S. Shukla, Jt. Development Commissioner, NSEZ, Noida
3. Sh. Alok Mukherjee, Director, M/s. Syscom Corporation, NSEZ, Noida
4. Sh. Puneet Kapoor, Partner, M/s. APK Identification, NSEZ, Noida

Besides, during the meeting S/ Shri R.K. Srivastava, Dy. Development Commissioner, R.P. Verma, Secretary, NSEZ Authority, Dharam Vir, Sr. AO, NSEZ, Sabeena A., CEO, NBCC Services Ltd, Aditya Arora, GM (ENG) NBCC Services Ltd, Jadhav Atul, DPM, NBCC, Sh. Naresh Kaushik, DPM, NBCC Services Ltd. and Rajeev Sharma, FCA, M/s. Rajeev Sharma & Associates, Noida were also present.

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 26/12/2016.

NSEZ Authority was informed that no reference was received against any of decisions of NSEZ Authority taken in the meeting held on 26/12/2016. Accordingly the Minutes of the meeting held on 26/12/2016 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 26.12.2016.

2. Review on the Annual Budget for the year 2016-17 approved by NSEZ Authority in its meeting held on 28/03/2016:

NSEZ Authority in terms of Rule 10 (2) of SEZ Authority Rules, 2009 reviewed the Budget for the year 2016-17 with respect to utilization of funds /physical progress of ongoing projects. The Authority noted that revenue targets have been achieved by NSEZ Authority as per Budget provisions approved for the year 2016-17. Hence, the expenditure has not been incurred as per Budget due to non-submission of utilization certificates by NBCC till the date of Authority meeting and some works are still going on. The amounts in respect of ongoing projects have been carried forward for next financial year.

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3. **Proposal for Annual Budget for the year 2017-18:** The Annual Budget for the 2017-18 was placed before the Authority. The Authority noted that an amount of Rs. 4995.39 lacs has been carried forward from previous years and an amount of Rs 3606.84 lacs has been proposed for new works. The Authority, after due deliberation, approved the budget for the year 2017-18 as under:

Annual Budget for the year 2017-18

Sr. No.	Particulars	₹ in lacs
1.	2.	3.
A	Estimated Revenue	
	1. Lease Rentals	2734.00
	2. User Charges	640.00
	3. Interest on fixed deposit	500.00
	4. Others	120.00
	Total	3994.00
B	Estimated Expenditure	
	1. Minor works	
	a. Infrastructure Development (Capital expenditure)	8602.23
	b. Maintenance	700.00
	2. Rent Rate & Taxes	200.00
	3. FTE/DTE	10.00
	4. Professional fee/ charges	60.00
	5. Advertisement & Publicity	5.00
	6. Office Expenses	70.00
7. Salary & wages.	0.00	
8. Misc. Expenses	200.00	
	Total	9847.23
An amount of Rs. 4995.39 lacs has been carried forward from previous years and an amount of Rs 3606.84 lacs has been proposed for new works.		

<u>Source of fund:</u>	<u>Amount in Lakh</u>
1. Revenue to received	:Rs. 3994.00
2. Term deposits	:Rs. 11189.52
3. Bank Balance as on 10/02/17	:Rs. 1525.71
Total	:Rs. 16709.23

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Break-up of estimated of expenditure on Infrastructure Development works for the year 2017-18

(Rupees in Lakh)

S. no	Description of work	Estimated expenditure (in lacs of ₹)	Already paid	Balance to be paid during the year 2017-18	Remarks
1.	2.	3.	4.	5.	6.
1.	Construction of SDF Block 'M' at NSEZ	2143.00	1800.00	343.00	Amount indicated in Column 5 is carried forward from the previous year (s)
2.	Replacement of 04 nos. lifts in SDF 'E' Block (Balance payment)	135.11	121.59	13.52	-do-
3.	Renovation of 1 st Floor of Service Centre Building.	132.00	118.98	13.02	-do-
4.	Renovation/face-lifting along with provision of lift in service Centre building NSEZ	261.41	235.26	26.15	-do-
5.	Renovation of SDF Block A, B & C, NSEZ	939.10	843.64	95.46	-do-
6.	Construction of 4 KM RCC Boundary Wall (2 nd Phase)	1795.43	848.86	946.57	-do-
7.	Repairing of Staff Quarter Type 'A' & 'C', NSEZ	239.40	119.70	119.70	-do-
8.	Replacement of street light of Security Road, NSEZ	161.22	145.10	16.12	-do-
9.	Development of Firefighting systems in SDF - F,G,H& I	896.39	398.62	497.77	-do-

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10.	Laying of Drain covers surrounding of all SDFs, Service Centre & staff quarters including minor repairing works	146.17	36.54	109.63	-do-
11.	Repairing/Minor work in CWC	70.84	17.71	53.13	-do-
12.	Repairing / minor works in SDF J& K Block	308.18	77.04	231.14	- do -
13.	Repair/reconstruction of road.	1097.98	274.50	823.48	-do-
14.	Construction of Public convenience.	71.51	17.88	53.63	-do-
15.	Renovation/repair of Guest house	9.20	2.30	6.90	-do-
16.	Repairs of boundary wall of parks behind service center, near water over head tank, outer wall of Industrial canteen allotted to M/s Top Foods	146.17	0.00	146.17	-do-
17.	Development of STP	1500.00	0.00	1500.00	-do-
18.	*Estimate of additional work at two roads & CWC And Speed Breakers at the crossings of roads	106.84	0.00	106.84	New work
19.	Re - Construction of Remaining Roads	2500.00	0.00	2500.00	New work
20.	Re - development of drainage System in NSEZ				New work
21.	Re- developments of two parks				New work
22.	Boundary wall of CWC/				New work
23.	Gym and playground				



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24.	Renovation of SDF – F,G,H & I Blocks	1000.00	0.00	1000.00	New works
Total		13659.95	5057.72	8602.23	An amount of Rs. 4995.39 lacs has been carried forward from previous years and an amount of Rs 3606.84 lacs has been proposed for new works.

The Authority after due deliberation approved the same.

Agenda item nos. 4, 5 and 7

4. **Approval for new infrastructural Development works:**
5. **Approval of Estimates submitted by NBCC (India) Ltd. for additional works.**
6. **Selection of “Work Executing Agency” in terms of GFR 126 (3) as superseded by GFR 133(3) of GFR, 2017.**

The Authority noted that above agenda points are correlated with each other and required to be examined within the ambit of GFR, 2017.

The provision of Rule 126 (3) of GFR, 2005 has now been superseded by the provision of Rule, 133(3) of GFR, 2017. The provision of said Rule were explained to the member of Authority and after due deliberation, the Authority decided to engage M/s. National Projects Construction Corporation Ltd. (NPCC) also keeping in view of their Expression of Interest. It was informed to the Authority that EoIs were invited from 06 nos. of Govt. PSU but no one has shown interest except NPCC.

Keeping in view the provision for execution of assignment, the Authority decided to award the works between NPCC and NBCC as per details given below:

Sr. No.	Description of works	Name of the executive agency to whom work to be awarded.	Justification for ward of work to the agency
1.	Development of STP	NPCC	Expression of interests were invited from PSUs in terms of the provision of GFR 126(3). NPCC showed interest and quoted service @ 7% which is lower than that of existing executing agency.

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2.	Re-development of two Parks.	NPCC	-do-
3.	Construction of Boundary wall of CWC.	NPCC	-do-
4	Additional work at two roads & CWC road and speed breakers at the crossing of roads	NBCC	In continuation of work already awarded. It fulfills the criteria of Rule 133 (3) read with Rule 194 of GFR, 2017.
5	Redevelopment of drainage system in NSEZ	NBCC	-do-
6	Gym and Playgrounds	NBCC	-do-

Authority decided that the following works may be kept on hold and after observing the performance of new agency, decision will be taken.

- a. Re - Construction of Remaining Roads
 - b. Renovation of SDF F,G,H & I Block, NSEZ
 - c. Construction of new godown.
7. **Review on progress of ongoing projects awarded to NBCC.** Current Status of the ongoing projects awarded to NBCC was placed before the Authority. The Authority reviewed the projects executed/to be executed by NBCC. NBCC gave a presentation along with with physical status of each and every project. The Authority directed JE, NBCC to expedite the completion of works as per schedule.
8. **Discussion on proposal of PEC for installation of solar modules on roof top of SDFs:**

It was placed before the Authority that the Govt. of India had taken a target of achieving 40 GW of roof top Solar Power as a part of clean climate commitment. The Cabinet Secretary is directly monitoring the status of implementation. The Commerce Secretary has submitted an undertaking to initiate the development of roof top/ground Solar Systems on our own or through SECI, REIL, CEL, BHEL, BEL etc. so as to achieve 10 MW Capacity by 2021-22.

MNRE has allotted Ministry of Commerce and Industry to PEC Ltd. a PSU under Deptt. of Commerce for setting up of roof top Solar PV Power Plants. As per survey conducted by M/s. UNEECOPs, a nominated agency by PEC India Ltd, Soar Power of 1.9 MW can be installed on the roof top of SDFs for which they have estimated total cost amounting to Rs. 11.90 Crore. PEC India Ltd. has already completed the solar plant of Rs. 636 KW at Cochin SEZs in 2016-17.



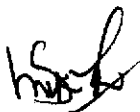
JDC, NSEZ had convened a meeting with PEC Ltd. on 23.02.2017 to understand the scheme utilization of power, so generated Revenue model, Procedure for transfer of power to Grid etc. and after detailed deliberations, PEC India had been requested to submit complete details of the scheme. M/s. PEC Ltd. has sent their reply vide their letter dt. 1.3.2017 which is placed at page no 16-27. PEC India in their said letter has mentioned that the issue regarding budget for the entire rooftop available at NSEZ can be addressed by placing order on PEC in phase manner. The same is being examined and if need be a joint meeting with entrepreneurs association. PEC and UPPCL would be called so as to firm up the proposal and work out suitable modalities.

Decision: The Authority after due deliberation decided to defer the proposal to examine further the revenue model, transfer of power to grid or to utilize within Zone complex for its own use and capacity required etc. The chairman directed JDC to hold a meeting with PEC, UPPCL and entrepreneurs so as to examine the proposal further.

9. **Discussion on proposal of PTC India Ltd. for distribution of power within NSEZ.** It was placed before the Authority that Deptt. of Commerce vide its letter dated 26/12/2016 forwarded a copy of proposal of PTC India Ltd. to undertake Power Distribution Business as deemed licensee for comments:

Gist of the proposal is given below:

- i. PTC India Ltd was promoted in 1999 by Ministry of Pwer through 4 Central PSUS namely, NTPC, Powergrid PFC and NHPC. This is a leading Co. in Power trading.
- ii. On receipt of proposal, a meeting with PTC India and Entrepreneurs of this Zone was convened on 20/01/2017 under the Chairmanship of Jt. Development Commissioner, NSEZ to take a view on the proposal.
- iii. M/s PTC India Ltd. made presentation on their proposal. M/s PTC India Ltd. informed that as per Notification 3/03/2010 (Amendment electricity Act. 2003), Developer of SEZ Shall be deemed to be a Distribution Licensee. In terms of this notification Noida SEZ may obtain license from UPERC to procure power directly from sources without paying additional duties. The charges of existing discom i.e. Uttar Pradesh Power Corporation Limited (UPPCL) is high as it procures power from state government owned power generators (Uttar Pradesh Rajya Vidyut Utpadan Nigam & Uttar Pradesh Jal Vidyut Nigam Limited), central government owned power generators (NTPC Limited & THDC Ltd) and Independent Power Producers - IPP (mostly private power companies) through power purchase agreement for lowest per unit cost of electricity. The estimated loss of power is very high due to 44 % power theft in Uttar pradesh and Noida SEZ has to face the burden of price hike which comes approx Rs. 7/- per unit in addition to other charges i.e. fix charges, sur charges, electricity duty and refund of Power Subsidy given by State Government to Power Corporation. M/s PTC India Ltd. also informed that they will make arrangement to procure power from various power sources through open tender and this will tentatively reduce power charges from Rs. 7 to Rs. 4.30 per (approx.) unit and consequent production cost will be reduced in respect of NSEZ Units. NSEZ Entrepreneurs supported the proposal as it will reduce the electricity price which will help them to reduce the cost of production.



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- iv. This office had requested the PTC Team to submit the PTC's proposal for assisting NSEZ for drafting a petition for submission to UPERC for grant of Distribution License and associated activities.
- v. PTC India submitted scope of work and communicated following commercial fee vide their letter dated 25/01/2017:
 - a. Prepare detailed project report Rs. 15.00 Lacs
 - b. Regular assistance Rs. 12.00 Lacs
- vi. SEEPZ, Mumbai has also engaged them for the same work and sanctioned commercial fee as under:
 - a. Preparation of detailed project reports- Rs. 15.lacs
 - b. Technical & legal assistance- Rs. 8.00 lacs
- vii. A meeting with Development Commissioners was held on 21.2.2017 under the chairmanship of Additional Secretary, DoC, wherein a presentation was made by PTC. It was decided that PTC would be sending a record of discussion through their Chairman to DoC for examination.

In view of above, the Authority decided to keep the proposal of PTC India in abeyance till receipt of directions of DoC.

10. **Requirement of mobile no. to be registered with NSEZ Authority's accounts maintained in State Bank of India/Canara Bank for alert service etc: -**

The Authority approved the purchase one mobile only to be used by the Secretary, NSEZ Authority for bank purposes.

11. **Demand raised by Income Tax Deptt.:** Status of the cases pertaining to Income Tax Deptt. for the assessment year 2010-11 to 2016-17 was explained to the Authority. It was informed that Income Tax Deptt has raised a demand for Rs. 21,53,510/- for the year 2013-14 and Rs. 11,37,90,430/- for the year 2014-15 as Income Tax Deptt. has not allowed exemption under section 10(46) of Income Tax Act, 1960. The Income Tax Deptt. has not considered our request for granting stay on demand and has directed to deposit the same by 10/03/2017.

Sh. Rajeev Sharma, FCA explained that appeal before Commissioner, Income Tax (Appeal) may be filed if 15% of the demand is deposited. The Authority after due deliberation approved to deposit 15% of the demands and file appeal with full facts/ground of Appeal. The Authority also decided to file return for the assessment year 2017-18 under section 10(46) of Income Tax Act as the case is under consideration with CBDT.

Meeting ended with vote of thanks to the chair.

(S.S. Shukla)

Jt. Development Commissioner

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