

विकास आयुक्त/अध्यक्ष, सीपज़-सेज़ प्राधिकरण की अध्यक्षता में **17.04.2025** को आयोजित 72वीं प्राधिकरण बैठक का कार्यवृत्त

MINUTES OF THE 72nd AUTHORITY MEETING HELD ON 17.04.2025 UNDER THE CHAIRMANSHIP OF DEVELOPMENT COMMISSIONER /CHAIRPERSON, SEEPZ-SEZ AUTHORITY.

The following were present:

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| 1. Smt. Mital Hiremath, Joint Development Commissioner, SEEPZ-SEZ | Member Secretary |
| 2. Shri Himanshu Dhar Pandey, Dy. Director, Nominee of Addl. DGFT | Member |
| 3. Shri HasmukhBhai Dholakiya, Partner of M/s. HK Designs (India) LLP | Member |
| 4. Shri Sapinder Singh, Managing Director of M/s. Omega Products Pvt. Ltd. | Member |

Special Invitee :-

1. Shri Adil Kotwal, President SGJMA
2. Shri Vijay Gujrathi, Chairman, SEEMA
3. Shri Rajendra Wagh, Deputy Engineer, MIDC

Shri Jay Shah, Deputy Development Commissioner Ex-officio Estate Officer, SEEPZ-SEZ, Smt. Y Mangala, Sr. Accounts Officer & Officer (Estate Finance), Shri Hanish Rathi, Assistant Development Commissioner (Estate Operation), Shri Janesh Tripathi, LDC & Ms. Divyanshi Goyal, LDC also attended for assistance and smooth functioning of the meeting.

Agenda Item No. 1 : Confirmation of Minutes of 71st Authority held on 04.02.2025

Decision: After Deliberation, Authority confirm the minutes of the meeting held on 04.02.2025 and noted the action taken.

Agenda Item No. 1(A) : - Proposal for approval of detailed Annual Financial Statement of FY 2025-26 of SEEPZ-SEZ

The authority was apprised about the expenditure incurred in Previous financial year and Budgeted expenditure for FY 2025-26.

Decision: After Deliberation, The Committee approved the Annual Financial Statement of FY 2025-26 of SEEPZ-SEZ.

Agenda Item No. 2:- Monthly Statement expenditure incurred through Imprest.

Expenses incurred through imprest were presented before the Authority and the Senior Accounts Officer informed that expenses pertaining to GOI made from Authority Fund due to urgent requirement will be recouped.

Decision: After Deliberation, The Authority noted the expenses incurred through Imprest Account.

Agenda Item No. 3: MIDC dues outstanding with SEEPZ Authority related to :

- i. Balance payment towards M&R to Fire Station: Recurring expenditure on fire station in SEEPZ-SEZ for the year 2018-19 to 2023-24 (6 Years)
- ii. Balance payment towards construction of SDF VIII Building

Authority was apprised about the Outstanding payment of MIDC for Fire station was Rs. 885.76 Lakhs and for construction of Tower on Plot no. F1 was Rs. 181.47 Lakh which was paid by SEEPZ-SEZ Authority and agenda was placed for post facto approval of the Authority.

Decision: After Deliberation, The Authority noted the payment made to MIDC as detailed in agenda.

Agenda Item No. 4 :- Proposal for payment of pending bills to M/s. AVI Plast for operation and Maintenance of 5 TPD NISARGUNA Biogas plant at SEEPZ-SEZ

Authority was apprised that work order for 3 years from 15.10.2019 to 14.10.2022 was given to M/s. AVI Plast which was extended till 30.09.2023. However, payment from Sep 2022 to sep 2023 have not been disbursed which amount to Rs. 27,99,940/-. along with EMD cum SD amount of Rs. 1,00,000/- and Rs. 2,00,000/-. Further, Authority was apprised as per terms & Condition of Work order penalty amount of Rs. 3,15,000/- is to be deducted for non availability of workers. Accordingly, it was proposed to release the Payment after proposed deductions i.e. **Rs. 24,84,940/-** and release the EMD cum SD of Rs. 1,00,000/- and Rs. 2,00,000/- to M/s. AVI Plast.

Decision: After Deliberation, The Authority approved the proposal to release the payment **amounting to Rs. 24,84,940/-** and EMD cum SD of Rs. 1,00,000/- and Rs. 2,00,000/- to M/s. AVI Plast.

Agenda Item No. 5 :- Proposed policy for renewal of Sub-lease Galas for 5 years and renewal of Sublease of Plots/Galas for 30 years in SEEPZ-SEZ Estate.

The Authority was apprised of the existing framework governing sub-lease agreements within the SEEPZ Estate, specifically pertaining to lease terms of 5 years and long-term durations of 30/95/99 years.

It was noted that the SEEPZ Authority currently levies monthly rent for both 5-year sub-leased and long-term (30/95/99 years) leased Gala/Plots. However, in the case of long-term leaseholders, the rent charged is nominal in nature, owing to the fact that a one-time premium has already been collected at the time of the initial lease execution.

At present, there exists no defined policy governing the renewal of sub-lease agreements for long-term leased units. The Authority was informed that 5-year lease agreements are renewed periodically in accordance with prevailing Authority norms and upon the submission of a valid Letter of Approval (LOA) certificate. However, for Gala/Plots leased on a 30-year and above basis—wherein a premium amount has already been paid and nominal monthly rent is being collected—no formal renewal policy is currently in place.

In view of the foregoing, and to obviate the financial burden associated with a one-time premium payment at the time of renewal, a revised approach was proposed. Under this approach, for units on a 30/95/99-year lease basis, the lease rent at the time of sub-lease renewal may be derived by converting the earlier paid premium into an equivalent annual rent. This calculated rent would incorporate a 7% annual escalation to reflect inflationary trends and ensure fair market valuation.

It was further explained to the Authority, through an illustrative example, that in addition to the proposed methodology, the annual rent shall be subject to an increment of 5% per annum post-renewal, in alignment with Circular No. 13/2024 dated 10.01.2024.

Additionally, the Authority was informed that for units found to be underutilizing their allocated space in relation to export performance, the renewal of sub-lease agreements shall be contingent upon recommendations made by the Approval Committee. Units that are found to be non-operational or non-compliant during the sub-lease period shall be mandated to surrender their allotted Gala/Plot back to the SEEPZ-SEZ Authority.

The detailed proposal, including the illustrative calculation model, was presented as part of the agenda for the Authority's consideration.

Decision: After deliberation, the Authority approved the proposal with consensus.

Agenda Item No. 6 :- Proposed Policy for the Transfer of Assets and Liabilities for Sub-Leases of Galas with Terms of 5 Years, and Long-Term Sub-Leases for Plots/Galas with Durations of 30, 95, and 99 Years in the SEEPZ SEZ Estate.

The Authority was apprised of the proposed policy concerning the transfer of assets and liabilities in respect of sub-leased Galas for 5-year terms and long-term sub-leased Plots/Galas with durations of 30, 95, and 99 years within the SEEPZ Special Economic Zone (SEZ) Estate. The Authority further noted that lease rent for these plots/galas is charged at a nominal rate, calculated based on the built-up area, as a premium amount has already been paid at the time of original allotment for the sub-lease period.

In several instances, existing units within SEEPZ SEZ have made substantial investments in infrastructure, manpower, and equipment. Eviction and subsequent auctioning of such units often lead to delays, loss of employment, and disruption of export activities, with new buyers unwilling to assume existing liabilities. To address these challenges, the proposed policy introduces an alternative mechanism that permits companies or LLPs to take over existing units along with their liabilities, without the need for auction. The policy also accommodates operational restructuring, such as mergers or conversions to meet client requirements. Overall, the draft aims to streamline the transfer process, enhance transparency, and support SEZ objectives.

To streamline the transfer process, the proposed policy seeks to introduce clear procedural guidelines, based on the nature and status of the transfer as follows:

(a). For 5 year sub-lease:

Authority was apprised that to avoid disruptions to employment and export activities, an alternative mechanism has been proposed wherein an operational unit may transfer its assets and liabilities to another company or LLP, subject to the provisions of Rule 74A of the SEZ Rules, 2006 and with the prior approval of the SEEPZ Approval Committee. This process eliminates the need for eviction and auction, thereby ensuring business continuity. It also enables mergers and structural changes, such as the conversion of LLPs to companies, to align with evolving business needs. The incoming unit, upon taking over the assets and liabilities, shall be required to pay lease rent at a rate equivalent to the highest rent being paid by any unit in the same or similar building at the time of transfer.

(b). For long-term sub-leased Plots/Galas with durations of 30, 95, and 99 years on payment of premium amount-

In line with practices adopted by the Maharashtra Industrial Development Corporation (MIDC) and Maharashtra Airport Development Company Limited (MADCL), transfers shall be categorised as either "**Formal**" or "**Non-Formal**," each with distinct compliance requirements and applicable charges. Formal and Non Formal transfer are defined in Agenda, wherein, for formal transfer applicant do not need to pay any transaction charges and only have to pay processing fees. Authority Members as well the special invitees suggested the processing Fees @ 50,000/- per application may be charged. In case of Non-Formal transfer i.e. where the units intending to transfer assets and liabilities must submit an application to the SEEPZ Approval Committee under Rule 74A of the SEZ Rules, 2006. Upon obtaining approval, the transaction may be executed subject to the payment of transaction charges calculated at 10% of the Differential Premium, as defined in the Agenda.

It was also mentioned that units holding long-term leases of galas/plots, but remaining underutilized or non-operational, result in a loss of potential foreign exchange earnings and adversely affect employment generation—thereby defeating the intended objectives of the SEZ and it was reiterated that non-operational units occupying space without operational activity fail to meet SEZ performance benchmarks and not fulfilling the SEZ's objectives, therefore proposed to allow refund of proportionate premium calculated in straight line method as defined in para 10 of Annexure-A of Instruction No 108 dt. 11.10.2021 of MoC&I.

In cases where an Agency (e.g. ED, DRT, NCLT, Financial Institutions) holds possession of a Plot/Gala, it may auction the property within a reasonable time and before the expiry of the sub-lease period. The incoming unit shall be required to pay transaction charges @10% on the Differential Premium, which is defined as the difference between the original premium paid and the premium amount discovered through the agency's transparent auction process (excluding cost of movables and liabilities). These charges are in addition to outstanding dues, lease rent, and other applicable charges such as Service Charges, BMC Charges, Fire Cess, etc. If the Agency fails to auction the property within a reasonable period, resulting in idle premises and loss of foreign exchange and employment, the SEEPZ Authority may take over the property and refund an unutilised proportionate premium as mentioned above. The Authority may then conduct an e-auction as per the decision taken in Agenda Item No. 11 of the 71st Authority Meeting held on 04.02.2025. Additionally, after the expiry of the sub-lease period, the Agency will have no right to retain possession of such properties.

Decision: After due deliberation, the Authority, with consensus, approved the proposed policy for the transfer of assets and liabilities in respect of 5-year sub-leased units, as outlined in the Agenda. However, the Trade Representatives of the Authority and the Special Invitees—Shri Adil Kotwal, President, SGJMA, and Shri Vijay Gujrati, Chairman, SEEMA—requested a period of 15 days to consult with their respective association members regarding the proposed policy for long-term leased Galas/Plots, for which unit holders have paid an initial premium amount. The Authority considered the request and, with consensus, agreed to grant the additional time for stakeholder consultation.

Agenda Item No. 7 : Standardization of Lease Rent across all existing operational units in SDF-I to VI and G&J Complex I, II, and III within SEEPZ-SEZ.

The authority was apprised that different lease rent rates are being charged to units within the same buildings of SDF-I to VI and G&J Complex I to III, based solely on the date of allotment. This disparity has led to inconsistencies and a lack of uniformity among units operating within the same premises. The current rent structure, with rates of Rs. 2037/- and Rs. 2992/- per square meter per annum, is significantly low compared to prevailing market benchmarks. Given the limited revenue generated from these rents, it is financially unviable for the SEEPZ-SEZ Authority to consider repairs of these buildings, redevelopment or construction of new buildings to accommodate units paying such low rentals. Therefore, to rationalize rents and ensure financial sustainability while maintaining fairness and equity, the proposed standardized rate of Rs. 2,992/- per square meter per annum is recommended.

However, the Trade Representatives of the Authority and the Special Invitees—Shri Adil Kotwal, President, SGJMA, and Shri Vijay Gujrati, Chairman, SEEMA—requested a period of 15 days to consult with unit holders in these Galas and requested to phase-wise increase in rent instead of 1 time increase of Rs. 955/-

Decision: After Deliberation, Authority members was in the opinion that this agenda may be deferred and placed again after result of ongoing Tender cum auction of Gala in SDFs/ GJ complex. Accordingly, Authority members with consensus agreed to the same.

Agenda Item No. 8 : Standardization of Miscellaneous Permission Charges for Buildings and Plots in SEEPZ-SEZ.

It is proposed to revise Circular No. 07/2024, dated 26.09.2024, to

include all types of miscellaneous permissions with effect from 01st October, 2024. As part of the revision, a uniform rate structure is recommended for space usage, wherein charges will be levied at ₹1,568 per square meter per annum for ground-level installations and ₹2,585 per square meter per annum for terrace installations. In cases where the space is used for non-essential or storage purposes, the rent shall be charged at the prevailing rate applicable to the Gala occupied by the unit. Such permissions will only be granted if sufficient open space is available and there is no disruption to the operations of other units. An annual escalation of 5% will be applicable to all such charges. Additionally, it is proposed to standardize the annual rental charges for telecommunication towers at ₹3,00,000 per tower per annum after issuance of the minutes.

Decision: After due deliberation, the Authority approved the proposal for the standardization of miscellaneous permissions. The revised rates for all types of permissions, except the annual rental charges for telecommunication towers, shall be applicable with effect from 01st October, 2024. The annual rental charges for telecommunication towers shall become applicable from the next quarter, following the issuance of the Minutes of this meeting.

Agenda Item No. 9:- Repair Work of existing Damaged Drainage lines.

The Authority has noticed that there are various location in SEEPZ-SEZ premises where drainage chambers and MS grating are damaged, corroded and are structurally in unsafe condition. To repair these the expected cost including labour & material will be approx 16.6 Lakhs.

The Authority was apprised, As the work is of urgent nature tender has been floated for repair work of existing damaged drainage chamber in terms of Rule 7 (2) of SEZ Authority Rule.

Decision: After Deliberation, The Authority approved the proposal.

Agenda Item No. 10:- Proposal for taking over the Pumping Operations, Network Maintenance, and Internal Water Distribution within SEEPZ-SEZ Area to reduce Water Supply Costs for Unit Holders present in SEEPZ-SEZ.

The Authority was apprised that the responsibilities of water distribution, pump operation, and pipeline maintenance within the SEEPZ-SEZ premises are being managed by MIDC at present. Water bills, based on actual usage, are paid by both the SEEPZ-SEZ Authority and individual unit holders. The Authority was apprised that several representations had been received from unit holders regarding the high

water charges levied by MIDC. These elevated charges are attributed to additional components added by MIDC over and above the base rate of water supplied by MCGM—namely, Effluent Treatment Plant (ETP) Charges (12.5% of the MCGM rate), differences between supply and assessment quantity (approximately 10%), and maintenance charges (approximately 1.4%).

To address these concerns, a meeting was held between MIDC officials and the Development Commissioner, SEEPZ-SEZ, during which it was mutually agreed that SEEPZ would assume responsibility for internal water distribution, pump operation, and pipeline maintenance. This transition aims to reduce the water supply costs for unit holders, as SEEPZ will undertake this activity on a no-profit no-loss basis. Under this model, SEEPZ will charge only a maintenance fee, which will be determined after onboarding the required contractor and operational resources. It is estimated that this change will result in a reduction of approximately Rs. 10 per cubic meter.

Accordingly, the proposal was placed before the Authority for approval to take over these responsibilities within the SEEPZ-SEZ area.

Decision: After discussion, the authority approved the proposal with consensus.

Agenda Item No. 11:- Request for change in criteria for issuance of Privilege Passes to Directors/Partners/Owners of SEEPZ-SEZ units.

The Authority was presented with a proposal to revise the criteria for issuing Privilege Passes to Directors/Partners/Owners of SEEPZ-SEZ units. The current criteria, outlined in Office Order No. 433/2024, include conditions such as exports exceeding Rs.500 crore in the preceding financial year and employment of over 500 persons.

Additional terms include no pending authority dues, no sub-lease agreement pending, no FE beyond permissible limits pending, no DRI/DGGI/GST/ED cases, and no disputes with the SEEPZ Authority.

The Authority was informed of a request from Authority members and Shri Adil Kotwal, President, SGJMA, to revise the criteria to include total exports of group companies, provided a single balance sheet is filed. However, a letter dated 10.03.2025 from Shri Adil Kotwal, President (SGJMA), indicated that the single balance sheet condition may not be feasible for most group companies, as they operate multiple entities with separate balance sheets. They requested a waiver of this requirement, suggesting an undertaking from the group or promoter to ensure the companies belong to the same group.

It was also proposed that units applying for privilege passes should not have any tax evasion complaints and that privilege pass holders be

allowed to enter through Gate No.4 (Mega CFC) with random checking as per DC Office directions.

Decision: After discussion, the authority approved the proposal with consensus.

Supplementary Agenda Item No. 1:- Proposal for Tripartite agreement (MOU) among SEEPZ-SEZ Authority, Stree Mukti Sanghatana (SMS) & Sphoorti.

The Authority was apprised that a proposal for a Tripartite Memorandum of Understanding (MOU) among SEEPZ SEZ Authority, Stree Mukti Sanghatana (SMS), and Sphoorti Cooperative has been received from Stree Mukti Sanghatana.

The Authority was informed that SEEPZ SEZ has been running and maintaining a CRECHE for children aged 3 months to 6 years, operating the facility under an MoU dated 22.06.2015 between SEEPZ SEZ Authority and SMS. The CRECHE provides a safe and nurturing environment for children.

The existing MoU, executed on 22nd June 2015, was effective from 1st June 2015, with an initial term of two years valid until 31st May 2017, and was subsequently extended until the finalization of a new contract.

SMS has submitted a draft MoU to be executed between SEEPZ, Stree Mukti Sanghatana, and Sphoorti Cooperative for the continued functioning of the CRECHE in SEEPZ. SMS is an NGO registered, and Sphoorti Cooperative was established in 2023 by staff members of SMS under its guidance for the uninterrupted operation of the CRECHE.

Decision: The proposal to authorize the Chairman & Secretary of the Authority for finalizing the terms and conditions of the Tripartite MOU was approved. The Authority will present the final document in the next Authority Meeting.

Supplementary Agenda Item No. 2:- RFP for E-Tender cum E-Auction for " Allotment of Galas at SEEPZ, Mumbai"

Authority was apprised that, the process for allotting vacant units (Galas) at SEEPZ SEZ was revised after the original paper-based method—advertised on October 17 and 24, 2024—was cancelled during the 71st Authority Meeting on February 4, 2025 (Agenda Item 11). The change aimed to enhance transparency, increase competition, and improve revenue by transitioning to an online system.

The new process includes E-tendering and E-auction. A Request for Proposal (RFP) titled "*E-tender cum E-auction for Allotment of Galas at SEEPZ SEZ*" was published on March 1, 2025, on the Central Public Procurement Portal.

The RFP was circulated to key organizations including the Embassy of Hong Kong, SGJMA, SEEMA, GJEPC, developers, and all Zonal Development Commissioners across India. Publicity measures included advertisements in Navbharat Times, Maharashtra Times, Economic Times, and Times of India, as well as standees placed at Gate Nos. 1, 2, 3, and the Service Building.

Pre-bid meetings were held on March 12 and 17, 2025. Corrigendum were issued to address queries and modify timelines, extending the bid submission deadline from March 31 to April 7, and then to April 14, 2025, as per the following requests from SGJMA and other units.

Decision: After deliberation, Authority noted the proposal.

Supplementary Agenda Item No.3: Proposal for providing additional 150 mm dia D.I Pipe line on existing pipeline network near plot no. 36 to resolve the water supply shortage for SEEPZ++ Units in SEEPZ-SEZ.

The Authority was apprised that, the MIDC, responsible for water supply in SEEPZ SEZ, resolved previous water shortage issues in SDF III & IV. However, post-implementation, unit holders in the SEEPZ++ area are now facing similar issues. To address this, MIDC prepared a proposal with a cost estimate of Rs. 6,56,626/- (N) and Rs. 7,38,750/- (G), based on PWD/MCGM SSR.

The scope includes laying a 150 mm DI pipeline (60m), excavation and concrete encasing, installation of valves and accessories, and construction of RCC chambers near Plot No. 36 and SDF-3 footpath.

Administrative approval for execution was granted on 11.04.2025.

Decision: After deliberation, Authority approved the proposal for providing additional 150 mm dia D.I Pipe line on existing pipeline network near plot no. 36 to resolve the water supply shortage for SEEPZ++ Units in SEEPZ-SEZ.

Supplementary Agenda Item No. 4: Proposal to Seek Approval of MoCI and MoF for Engaging an International Project Management Consultant (PMC) for the NEST-03 Construction Project in SEEPZ-SEZ, Mumbai..

The SEEPZ-SEZ Authority has decided to redevelop the outdated infrastructure within SEEPZ-SEZ, focusing on upgrading roads, water supply, drainage, and replacing old SDF buildings with modern, sustainable facilities. A consultant has been appointed to create a 30-year Master Plan and architectural design for a Model Building, including plans for the NEST-03 building, with a built-up area of 8 lakh sqft. Existing units from SDF 2, 3, and 4 will be relocated to NEST-03.

The Authority also proposes to seek MoCI approval for appointing an

international Project Management Consultancy (PMC) and request relaxation of Clause 5.1.4 of the Manual of Procurement to engage the PMC in overseeing the construction of NEST-03.

Decision: After deliberation, Authority approved the proposal.

Table Agenda: In addition to the above agenda items, the Committee Members and Special Invitees suggested the need for the installation of signage within the SEEPZ premises for building identification, consideration of designated pick-up and drop-off points for Ola/Uber services, and the resolution of issues related to two-wheeler and four-wheeler parking. The Trade Representative of the Authority also proposed that the signage could be installed through sponsorship arrangements, to which the Authority members agreed with consensus.

Further, the Chairman requested that a detailed proposal on these matters be submitted to the Estate Section and directed the Estate Section to examine the suggestions and present them as an Agenda item in the forthcoming Authority meeting.

The meeting concluded with a vote of thanks to the chair.

(ज्ञानेश्वर पाटील)
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