

MINUTES OF THE 45th AUTHORITY MEETING HELD ON 25.06.2021, ON WEBEX PLATFORM, UNDER THE CHAIRMANSHIP OF DEVELOPMENT COMMISSIONER & CHAIRPERSON, SEEPZ-SEZ AUTHORITY.

The following were present: -

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| (i) | Sh. D.T. Parate,
Asstt. DGFT, Mumbai | - | Member |
| (ii) | Sh. C.P.S. Chauhan
JDC, SEEPZ-SEZ | - | Member/Secretary |
| (iii) | Sh. Vijay Gujarati,
COO, M/s. EOS Power India Pvt. Ltd. | - | Member |
| (iv) | Sh. Ashish Kothari, Director
M/s. Jewelex India Pvt. Ltd. | - | Member |

Special Invitees:-

1. Sh. Rajeev Pandya, President, SGJMA.
2. Sh. Anjan Datta, Professor, IIT Guwahati.

Sh. Anurag Agarwal, DDC, Sh. Raju Kumar, ADC, Sh. Keshav Jadhav, ADC, Smt. Rekha Nair, Assistant, Sh. Ravindra Kumar, UDC and Sh. Rajesh Kumar, UDC also attended for assistance and smooth functioning of the meeting.

The Chairperson welcomed all the members present and thereafter agenda of the meeting was taken up.

Agenda Item No. 1: Confirmation of the Minutes of the 44th Meeting held on 03.03.2021

The Minutes of the meeting held on 03.03.2021 were approved with consensus.

Agenda Item No. 2: Proposal for Generic issues.

The Authority was briefed about the following issues proposed by Trade members for discussion:-

- a. Covid Preparedness plan, safety & hygiene related to repairs of the govt. leased buildings, Disposal of investment powder, SGJMA request for reduction of office rent, reduction in rent of premises allotted to Units, rain water harvesting system etc.

The Authority was apprised that some of the above issues brought by the Trade Members have been taken up as individual agenda in the current meeting only.

Agenda Item No. 02 A (i): Proposal of COVID response.

Authority was briefed that the steps can be initiated jointly in consultation with the Trade Associations before the brace of the 3rd wave of COVID-19 to ensure precautionary measures by issuance of certain guidelines/SOP so that the Industry is not affected functioning of the Zone remains smooth to boost up exports, earning of foreign exchange and generation of employment.

After deliberation, Authority noted the proposal of COVID response and conveyed the following steps to be initiated :-

- (a) SEEPZ -SEZ Authority to issue Circular to all Unitholders regarding preventive steps to be taken in SEEPZ for probable third wave of Covid-19.
- (b) Arrangements and usage of ambulances in the event of the 3rd wave in case of emergency in co-ordination with the available ambulances of Authority and of Unitholders.
- (c) Request Unitholders to update the status of vaccination of their employees so that movement of their workers may be made unrestricted during the 3rd wave period.
- (d) Conduct Rapid Antigen Tests if required.
- (e) In case of emergency, Authority's dispensary space and crèche to be utilized for atleast approx. 20 beds.

- (f) Temp. screening at the gates to be followed. The Unitholders to fill up details of vaccinated employees in a google spread sheet on SEEPZ's website for proper monitoring of the vaccination drive.
- (g) Display the banners at the gates as per the directions of Ministry as an educational campaign.

Agenda Item No.2 A (ii): Proposal for disposal of Investment Powder.

Authority was briefed that a tender was floated in Dec. 2020. However, no bid was received also the sample sent to MINT resulted in mentioning of precious metal content of higher level. The issue was discussed with SGJMA and they stated that this is being discarded by units as waste of no value to them and thus should be cleared from Zone at whatever bid price received. Another sample sent to MINT showed very less percentage of precious metal and MINT, on being asked in writing, stated that they can not buy these goods for extraction of metal and they could not provide the process of extraction of metal from the said goods and the cost involved in the same.

After detailed deliberation, the Authority approved the disposal of Investment Powder to the successful bidder by floating a fresh tender in transparent manner accepting the bid price as Cum-duty price. Further, a SOP to be defined for future covering a specific place for dumping the same to avoid any inconvenience to the trade.

Agenda Item No.2 (A) (iii): Proposal for Waiver of excessive rental charges of SEEPZ Gems & Jewellery Manufacturer's Association (SGJMA).

SGJMA vide their letter dated 18.10.2015 & 10.05.2016 has stated that the monthly rental charges for their office was astronomically increased and hence requested to refix the rental charges at a reasonable fixed amount. Association in their mail dt. 12.10.20 stated that they have been paying the enhanced lease rent which comes to Rs.3,86,784/- per annum apart from Service Charges and BMC Tax,

SGJMA has conveyed that it is a financial burden on them and for the past 3 years, the expenses of the Association is more than the income.

Authority was briefed that a similar proposal of EPCES was taken up in the 37th Authority meeting and the rent was reduced and reworked out @ Rs.2,000/- per month w.e.f. 01.04.2015 till 31.03.2018 and @ Rs.4,000/- p.m. for the period 01.04.2018 to 31.03.2020 and subsequent increase to Rs. 10,000/- per month w.e.f. 01.04.2020. However, for waiver of lease rent for the past period was sent to MOC&I on 21.11.2019. Reply from Ministry is awaited.

Representative of SGJMA has agreed that they do not require waiver for the past as they have paid all their dues.

After deliberation the Authority approved that the rent charges for office of SGJMA in BFC building, who are also non-profit making body like EPCES, may be fixed as Rs. 10000/-per month, exclusive of BMC Taxes and other Service Charges, for two years from 01.04.2021 and to be reviewed thereafter.

Agenda Item no. 02 (iv): Proposal for reduction in the reserve price for transfer of property.

Authority was informed that the said proposal related to reduction of reserve price from 50% to 40% and part sub-letting of large properties wherein separate entry and exit is possible, was placed in the 43rd Authority dt. 12.01.2021 wherein Authority felt that issues related to both may be taken up in the next meeting after examination in detail on all aspects.

Authority was further briefed that property rates inside SEEPZ are too less as compared to the property rates outside SEEPZ which is evident from the fact that auction of premises in Multistory building on two occasions did not receive single bid due to high reserve price. Trade members pointed out that in an action by Liquidator

appointed by NCLT, a building on independent plot has been sold on a price much less than the reserved bid price by Authority.

After deliberation, Authority approved the proposal, in-principle, to reduce the reserve price from 50% to 40% of ready reckoner rates, due to the COVID-19 and current market conditions and to convey the Ministry the decision for any specific observations thereof and trade recommendation on reduction of reserve price and the benefits that will be gained by the Authority on reduction of reserve price.

Agenda Item no. 3: Proposal for Perspective plan, master plan and capital works, Maintenance & repairs and onboarding of MIDC, Special Planning Authority

Authority was apprised the following points:

- (a) NFCD empanelment, its liabilities and legal issues on the structural repair and water proofing of the SDFs and gems & jewellery leased bldgs.
- (b) MIDC may be on boarded as done in the past for all capital nature and M&R works.
- (c) Past payment of MIDC for the period 2009-10 to 2017-18 reconciled and awaiting certification/confirmation from MIDC.
- (d) Engineering firm may be engaged so that the work executed by MIDC can be monitored and reported/apprised before the Authority.

After detailed deliberation, Authority approved the following-

- a) On boarding of MIDC for all capital nature works and M&R works on deposit work basis as they are the Special Planning Authority as designated by MOC&I for SEEPZ SEZ, on the condition that MIDC shall adhere to the appropriate specification of the GFR/CVC guidelines and procurement provisions.

- b) To engage an Engineering consultancy firm for the works less than Rs. 30/- lakhs who would provide requisite guidance for execution of work and monitor the work executed by MIDC.
- c) Regular monthly meetings will be convened with MIDC officials, SEEPZ administration officials and the Engineering Consultancy firm on the progress of the executed work and improvements if any required.
- d) To seek legal opinion on the works to be executed in the govt. leased premises as there are pending litigations on the work done in said buildings.
- e) Certification by MIDC officials on the reconciled figures and conveying the same to MOC for concurrence before release of the payments.
- f) The matter of NFCD related to the execution of work during the period 2016-2019 and its litigation regarding pending payments to be sent to Ministry requesting them to update the status of the same.

As a special invitee Professor, IIT Guwahati, was apprised about SEEPZ administration being desirous about an engagement on specific grounds as an advisory and strategic knowledge partner. Professor Dutta conveyed that he would go through the proposal and will extend their assistance and guidance in the matter and shall revert back. SEZ authority was appraised of the same.

Agenda Item no. 4: Proposal for Matters related to the litigation cases and agreement issues.

Authority was briefed that most of the Units are executing the sub-lease agreement on renewal of Letter of Approval. However, there are certain Units in Tower I, II & Multistoried Buildings, who were allotted units by MIDC on payment of differential premium and @ ground rent of Rs. 100/- per year. However, Unitholders in the said premises are in denial for execution of agreement with Development Commissioner, as they were allotted space by MIDC and hence they have neither executed the agreement nor paying lease rent to SEEPZ Authority.

Unitholders in SEEPZ SEZ were time and again advised to execute a sub-lease agreement in terms of Rule 18 (2) (ii) of the SEZ Rules 2006 read with Rule 11 (5) of the SEZ Rules, where the LOA and Sub- Lease Agreement are co-terminus and if any Unit violates the condition in the lease deed, the lease rights would cease to exist in case of expiry of cancellation of Letter of Approval.

In view of the said provisions of the SEZ Rules 2006, Units who have not executed agreement nor paid outstanding dues, were issued Recovery Notices/Order in terms of Section 7 of the Public Premises Act, 1971 and non-functional units are issued Show cause notice and Eviction order in terms of Section 4 & 5 of the Public Premises Act, 1971.

Litigations in various courts :

There are various categories of litigation cases pending before various judicial forum, pertaining to the units situated in the SEEPZ which are annexed for perusal.

After deliberation, Authority noted the updated status of all the agreements and litigation cases.

Agenda Item no. 5: Proposal for approval for Annual Account for the Financial year 2020-21.

Agenda 5

Accounts Financial Statement Related Rule 6 (1) (ii), Rule 6(1) (iii), Rule 6 (1) (iv), Rule 6 (1) (v), Chapter VI- Accounts, returns and Statements of the Authority and Schedule II and Schedule III

Agenda 5 (A) -

Tabling of Accounts for Financial Year 2020- 21 as mandated under Rule 11 (1), (2) and seeking approval of SEZ authority for compliance to Rule 11 (3) of the SEZ Authority Rules 2006

Annual accounts for the year 2020-21 prepared by Chartered Accountant appointed by Authority were placed before the Authority for approval.

Agenda 5 (B) -

Mandate of the SEZ rules, 2009 and Schedule III- immediate action agenda thereof includes (i) tabling the Annual Budget for the year 2021-2022 and (ii) preparatory works for reference of accounts tabled in Agenda 5 (A) to be submitted for audit by CAG (iii) Interim status report by Chairman on the compliance report to observations of Comptroller and Auditor General of India to the SEZ Authority

Authority was informed that the Annual Budget for 2021-22 is under preparation.

Authority was apprised that on finalization of the Annual Accounts of 2020-21, CAG will be asked to audit the annual accounts of 2020-21. Only on audit, observation of the CAG and on approval of draft SAR of 2020-21 by CAG, will be reflected in the Annual report of 2020-21 and forwarded to Ministry.

Agenda 5 (C) -

Notification of procurement methodology by SEEPZ administration after approval and notice of SEZ authority of (i) GFR, 2017 as amended till date (ii) Manual of Procurement of Works, 2019 (iii) Manual of Procurement of Goods and Services (iii) Manual of Procurement of consulting services and (iv) E- Procurement with threshold as approved by SEZ authority and (v) CVC guidelines as applicable and notification of the due process to be complied thereof herein after.

Authority was apprised that all procurements under SEEPZ SEZ Authority shall be made compliant to the GFR and CVC mandates by default. Copies of the GFR and

Manual of Procurement of Works, Good and Service (consulting and non-consulting) would be provided to the Authority members in the meeting.

Agenda 5 (D) -

Engagement of a chartered accountant/ public finance domain expert/ consultant for the preparation of a basic budget manual for the SEEPZ office and the structure of the budget as an annual financial statement to be approved for the forthcoming year by March of every year as mandated in Schedule -III i.e. Rule 12 (1) of the SEZ Authority Rules 2009

Authority was apprised that the Budget Manual was explained to the Chartered Accountant and he has agreed and conveyed that annual budget will be prepared soon.

After deliberation, Authority approved the Annual Accounts for 2020-21 and also directed Chartered Accountant to prepare the Annual Financial Statement so that the same can be placed in the next meeting.

Agenda Item No.6: Proposal related to present manpower strength of Officers, Employees of Authority and Human Resource

Agenda 6

Related to Officers and Employees of the Authority & Human Resource - Chapter IV - Rule 9 of SEZ Authority Rules 2009

Agenda 6 (a) -

Conformity to Rule 6 (5) with the present strength of the manpower and position thereof and appraisal to the SEZ authority

Authority was conveyed that there is no sanctioned post and no regular staff appointed. The existing work is being carried out by the Govt. Staff as

additional work by payment of honorarium and with the help of the outsourced staff approved by the Authority in the respective meetings since 2011.

Agenda 6 (b) -

Consideration of a standard HR manual for the contractual engagements (short terms contracts of duration of less than 12 months) for domain experts as individual resources in multiple fields

The Authority was appraised that there is no specific Human Resource Manual and a draft Human Resource Manual for the entire Staff shall be submitted for consideration of Authority.

Agenda 6 (C) -

Approval for engagement of Public Procurement domain expert for follow up on Agenda 5 (C) for validation of procurement mechanisms in conformity to the tenets of Public procurement and the GFR and manuals and CVC guidelines

After deliberation, Authority agreed for engagement of a Public Procurement domain expert on consultancy basis (as an individual consultant) through a transparent and GFR compliant process and separately, the Manuals on Public Procurement for Works, Good and Services including the General Financial Rules manual and CVC website URL would be circulated to all and the all procurement shall be made compliant to the GFR and the public Procurement manuals.

Agenda Item No.7: Health, Welfare and Insurance Measure – Rule 6 (3)

Linked and details already mentioned in Agenda no. 2

Authority noted that the said agenda has already been covered in Agenda no. 2

Agenda Item No.8: Matters related to Security – Rule 8 (xiii)

Authority was apprised about the present security arrangement and the disaster management plan.

After deliberation, Authority its approval on initiating following works :-

- Civil works at Gates and Perimeter wall to be executed
- Basic amenities at Gates for Security manpower i.e. toilets, drinking water, changing rooms, lockers to be provided.
- Procurement of lockers, water cooler and filters, the security equipments i.e. reflective vests, megaphones and etc.
- security deployment and patrolling based on the zonation for disaster management and security.
- on boarding of the vendor can be done and matter taken forward
- Bharat Diamond Bourse shall be approached out as a strategic consultant on a pro-bono basis as a proposal was appraised to the SEZ authority.

Agenda Item No.9: Legal matters related agendas (Rule 8 (vi), rule 8(vii))

Authority was conveyed that the details have mentioned in the statement provided in Agenda 4.

Authority noted the information which has been provided to the members.

Agenda Item No.10: Proposal for Hiring of Services for Vehicle for official use under Authority.

Authority was briefed that due to various activities like legal cases, disaster management, visits to RPAO/other govt. offices and other miscellaneous government works, vehicles are necessarily required for proper and safe movements of officials and records.

Hence, tender was floated for hiring of vehicle (Sedan 01 No) on GeM portal & Tender Committee examined and proposed the contract to be awarded to the L1 bidder for three years.

After deliberation, Authority approved the proposal of awarding contract to M/s. Servetech Automation Pvt. Ltd. for providing one Sedan Car vehicle services @ Rs. 39,666/- p.m. for Authority usage.

Agenda Item No.10 (ii): Proposal for Extension of Annual Maintenance Contract of Cleaning/ Lift of SDF & G&J buildings/ Gutter waste

Authority was briefed that the process of floating the tenders in respect of all the tenders expiring in the upcoming months is underway. However, finalization of the same would take some time and hence the contract i.r.o. Housekeeping/Tree Cutting/ Watering of potted plants of the Zone, AMC of lifts of SDFs& G&J buildings, Tender for Gutter Waste, was extended.

Authority was apprised that the gutter waste bids were received and need to be examined. However, in the meantime extension is necessary to be given due to the onset of monsoon and gutter clogged/choke up and making it difficult for the trade.

Authority noted the respective extension as per the agenda details and also approved the extension for existing gutter waste contract till 31.07.2021 or till finalization of new agency whichever is earlier.

Agenda Item No.11: Proposal for Development in Information Technology.

Authority was apprised about the need of onboarding of the IT consultant for development of website, update the module and e-office roll out as directed by Ministry.

Authority noted the proposal and agreed for exploring the issue of a EOI for Government of India PSUs or State Government PSUs as a project management consultant for on-boarding a system integrator for a bespoke SEEPZ management suite as a core IT application customized for SEEPZ administration.

Agenda Item No.12: Monthly report to SEZ Authority and Annual report including Statistical analysis report – related to Schedule IV

- › Linked and mentioned in Agenda no. 5

Authority noted the proposal and Chairperson apprised that the monthly report will be prepared and placed before the Authority in the meeting in future and then sent to Ministry for information.

Agenda Item No.13:Proposal w.r.t. status of D-2 quarter, SEEPZ SEZ Quarters and emergent repairs thereof.

Authority was apprised that on assumption of charge by the Chairperson w.e.f. 02.06.2021, there was no space available for his accommodation as the allotted accommodation i.e. D-2 quarter was not habitable due to non-occupancy for years. Hence the said quarter was inspected and quotations were called for bare minimum repairs, technically evaluated to undertake the work for immediate stay of the Chairperson and his dependent family under the current circumstances of Covid-19 and onset of monsoon. The said facts were brought to the notice of Ministry also as the repairs in said quarter are part of legacy matter already under consideration of Ministry.

Authority noted the details and approved the same and further conveyed that matter related to extensive repairs in the said quarter, in addition to the current repairs of urgent nature, in compliance with GFRs and CVC guidelines, may be put up before Authority in future meetings and the approval of Authority may be conveyed to Ministry.

Agenda Item No.14:Proposal for developing a methodology for reducing current Electricity Tariff of consumers within SEEPZ-SEZ area by taking adequate steps to operationalize the Deemed Distribution License as per provision of Electricity Act 2003 or by any other method.

Authority was briefed that the proposal for implementation of reduction of tariff charges for electricity in SEEPZ SEZ was placed before the 43rd Authority Meeting held on 12.01.2021 w.r.t. engaging consultant and developing a methodology for reducing current electricity tariff of consumers within SEEPZ area by taking adequate steps to operationalize the Deemed Distribution Licensee as per provision of Electricity Act 2003 or by any other method. It was further briefed that Ministry has conveyed

that a detailed proposal as per SEZ Act and Rules for appointment may be forwarded to BoA for consideration.

Authority approved the proposal and directed to initiate action for Co-Developer agreement so that the said proposal can be placed before the Board of Approval in the next meeting.

Agenda Item No.15: Proposal for Non levy of penalty for un-surrendered and expired gate passes.

Authority was briefed/updated that there are number of cases where the amount of penalty to be recovered or waived of with retrospective effect is upto Rs.1 lakh and the same can be waived of in terms of clause no. 3 (iii) of MOC&I letter dt. 31.10.1995 and Rules 7.6 of SEZ Authority Rules 2009. However, to write off the losses beyond Rs.1 lakh, the approval of Central Govt. is required to be taken. Letter was sent to Ministry ,however the reply is awaited.

Authority approved the proposal and conveyed that a reminder may be sent to Ministry for waiver of retrospective period.

Agenda Item No.16: Proposal for Revision of lease rent.

Authority was conveyed that there is no rent revision in last three years and the Trade Members have sought relief on levy of lease rent due to lockdown & the difficulties faced in the current pandemic. Presently being in the second wave of the pandemic and looking at the financial difficulties being faced by the units, Trade requested for reduction in the rent. Authority was conveyed that the representations of the Trade were forwarded to Ministry.

After deliberation, Authority held the view that a reminder may be sent to Ministry and based on the decision of the Ministry, the proposal for rent revision, if any, will be taken further.

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Agenda Item No.17:Proposal for Matters related to the non-recurring contingent liabilities.

Authority was briefed that there are some cases where payments were not released to service providers due to various reasons. These liabilities are of non-recurring nature and details there of were provided in agenda document.

- (a) **M/s. B.N. Kedia, Chartered Accountant Firm :- Release of payment for accounting work of FY 2013-14**
- (b) **M/s. Interlight :- Release of payment for the period Feb. 2019 to Apr. 2021**
- (c) **M/s. Siddivinayak Enterprises :- Release of payment for the period upto Sept. 2020**
- (d) **M/s. Aviplast : Release of payment for operation and maintenance of bio-gas plant**

Authority was apprised that the said payments will be released without any delay once the due diligence is done in these cases along with other outstanding liabilities and a detailed status report on admissibility and payment thereof which shall be submitted to the authority for scrutiny and directions subsequently.

Authority noted the details.

Agenda Item No.18:Proposal for taking over the capital assets of SDFs/ G&Js.

Authority was briefed that the CAG had taken objection on non-transfer of assets to the SEEPZ Authority and matter was taken up with Ministry. Authority was conveyed that Ministry was informed that like other Zones had transferred their assets in favour of Authority viz. Noida and Cochin SEZ by way of Resolution passed by their Authority, SEEPZ Authority also proposed to initiate similar action. Letter was sent to Ministry on 09.05.2013 and subsequent reminder was sent on 24.05.2013 and 24.03.2014. However, reply is awaited from Ministry.

After deliberation, Authority agreed in principle and directed that the procedure followed in the other Zones may be obtained and apprised before the Authority in the next meeting and then communicate to MOC&I for further directions.


Agenda Item No.19: Proposal for promoting achievements of SEEPZ SEZ.

Authority was briefed that in past, in 2018, an agency had published SEEPZ driving economic growth through sustainable development to showcase the promotion of industrialization and economic growth without adding any cost to SEEPZ Authority. Permission was granted to Resource 24*7 for publishing features highlighting the achievements of SEEPZ SEZ. Even, during pandemic, SEEPZ continued its growth in the areas of exports, investments and employment. To invite more investments and generate more employments, the sustained achievements of SEEPZ SEZ over years should be highlighted by way of publishing a supplement in leading daily newspaper and a coffee table book with no cost to Authority.

After deliberation, Authority approved the proposal of branding of SEEPZ to start with the coffee table book and supplement in leading daily newspaper.

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

This issues with the approval of the Chairperson of SEEPZ SEZ Authority.


30.06.21

(C.P.S. Chauhan)
Secretary/Jt. Development Commissioner,
SEEPZ SEZ Authority