

SEEPZ SPECIAL ECONOMIC ZONE AUTHORITY  
ANDHERI (E), MUMBAI – 400 096.

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AGENDA FOR THE 6<sup>TH</sup> MEETING OF THE  
SEEPZ SPECIAL ECONOMIC ZONE AUTHORITY  
UNDER THE CHAIRMANSHIP OF  
CHAIRPERSON, SEEPZ SEZ AUTHORITY

AT

OFFICE OF SEEPZ SPECIAL ECONOMIC ZONE AUTHORITY,  
CONFERENCE HALL OF SEEPZ SERVICE CENTRE,  
2<sup>ND</sup> FLOOR, ANDHERI (E), MUMBAI – 400 096.

ON 05<sup>TH</sup> MAY, 2010 AT 10.30. A.M.

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## Agenda for the Sixth meeting of the SEEPZ Authority scheduled to be held at 10:30 a.m. on 5<sup>th</sup> May, 2010

### Presentation of status of funds with SEEPZ Authority and suggestions on deployment.

As on 31.3.2010, a sum of Rs. 28.74 Crore is available in the Authority fund. Out of this, a sum of Rs.18.00 Crore is kept in temporary fixed deposit and the remaining in the current account of the SEEPZ SEZ Authority Fund.

Rule 6 of the SEZ Authority Rules provide for engagement of Chartered Accountant for maintenance and finalization of the Authority account. The scope of work of the Chartered Accountant inter-alia includes estimation of receipts and expenditure. The Authority has invited estimate from 5 Chartered Accountant firm who are on the panel of C&AG for engaging a Chartered Accountant firm for maintenance and finalization of account of Authority.

The estimation and receipt of expenditure would be prepared as soon as the Chartered Accountant Firm is engaged for the maintenance and finalization of account of Authority.

### 2. Appointment of Chartered Accountant for Accounts and concurrent audit work of SEEPZ Authority

The Authority has invited the estimate from five Chartered Accountant firms, who are on the panel of the CAG, requesting them to furnish their quotation on or before 23<sup>rd</sup> April, 2010. The following two Chartered Accountant firms have submitted their quotation, as indicated below:-

- |    |                  |   |
|----|------------------|---|
| 1. | B. N. Kedia & Co | Professional fees of Rs. 12,000 per month + Service Tax + Out of pocket expenses not exceeding 20% of professional fees |
| 2. | Batliboy & Co    | Rs. 30,000 per month + Service Tax  |

The charges of M/s. B.N. Kedia & Co is the lowest. Approval of the authority is solicited for appointment of M/s. B.N. Kedia & Co. for maintenance and audit of the Authority's account with effect from 4.5.2009 i.e. from the date of opening of Current account in the State Bank of India, SEEPZ branch in the name of the SEEPZ SEZ Authority fund. The profile and cliental base of the CA firms is enclosed (**Annexure-A**).

### 3. Redevelopment plan for SEEPZ.

In SEEPZ SEZ, demand for space has been more than the availability. Space is required for expansion activity of the existing units as well as for setting up of new projects. Additional FSI of 581315 Sq. Mtrs is available to SEEPZ. However open land area is not available for utilizing the additional FSI. Therefore the only option is vertical

expansion of buildings. The MIDC carried out a preliminary survey in this regard and suggested construction of two towers by demolishing existing SDFs. The redevelopment proposal envisages construction of 8 towers over a period of 8 years envisaging an investment of Rs.1200 Crores. The comparative statement of existing space and proposed space which may be available as a result of re-development plan is **Annexure-B**. Development Commissioner, SEEPZ-SEZ has communication preliminary observations in the matter to the Chief Executive Officer, MIDC vide D.O. letter dated 15.4.2010, a copy of which is **Annexure-C**.

#### **Proposed refinery projects in SEEPZ – decision on allotment of a plot of land.**

The issue regarding the need for setting up of a refinery in SEEPZ SEZ was considered in its 2<sup>nd</sup> meeting of the Authority held on 28.7.2009 and in which the view held was that the facility of a refinery in SEEPZ would be an added infrastructure for the Zone units for recovery of precious metal particles from septic tank waste/gutter waste. It was also decided to initiate correspondence in this regard with leading Refineries in order to have a preliminary assessment. In this regard, the Managing Director of M/s. Hoover & Strong, USA visited SEEPZ and also held discussions with the office bearers of the SGJMA. After their preliminary assessment, M/s. Hoover and Strong have shown interest to set up a refinery in SEEPZ and forwarded a project proposal (**copy enclosed Annexure-D**) They have indicated that the minimum land requirement for setting up a refinery facility would be approximately 1000 sq. mtrs. The availabilities of land in SEEPZ and issues relating to allotment of land may be discussed in the Authority for consideration.

#### **5. Bio-Methanization plant – approval of agreement by Authority**

The Authority has been examining the possibility of setting up of a Bio-Methanization Plant with the technical assistance of Dr. Kale of BARC so as to take care of the wet garbage disposal. It has been the experience in the past that wet garbage disposal has been a matter of concern at all times since any accumulation of the same adversely affects the up-keep of the Zone Complex. Setting up of the Bio-Methanization plant would take care of the disposal of wet garbage.

Based on the tender notice advertised in the newspaper, the offer received from M/s. Ashoka Biogas has been short listed for forwarding to MNRE, New Delhi seeking admissible grant to the entrepreneur. The total project cost envisages is Rs. 80 lakhs , out of which the grant expected is to the extent of 50%. The proposal envisages remaining contribution by the promoter. The promoter has stated requirement of land of 1500 sq.mtrs for a period of 30 years. The Authority approval is sought for in principle

(c) approval of the Bio Methanization Project and allotment of 1500 sq.mtrs of land to M/s. Ashoka Bio gas for a period of 30 year for setting up a Bio-Methanization plant in the common space earmarked for dumping of waste, as per SPA's records.

**Lift for SEEPZ Service Centre Building.**

SEEPZ Service Building was constructed during the year 1975 having G+2 Floor. The Office of Development Commissioner and SEEPZ SEZ Authority are located in this building. The Office of DC, SEEPZ is visited by various important Govt. delegation, Trade delegation, Trade Mission, overseas entrepreneurs. At present there is no provision of lift to access the upper floor of building. The visitors as well as the functionary of the unit particularly senior citizens require facility of the lift in the Service Centre Building.

MIDC as asked to prepare an estimate of providing a modular lift in Service Centre Building. MIDC has submitted estimate amounting to Rs.51.69 Lakhs including 12.5 % ETP charges.

The proposal is submitted for consideration.

**Repair/Renovation of SDF – V and Waterproofing treatment of terrace of SDF-I Building out of Authority funds.**

There have been complaints of seepage/leakage from the units in SDF-I and SDF-V. It is therefore necessary to carryout waterproofing work in these buildings. Ministry of Commerce & Industry under the ASIDE Scheme provide funds only for creation of new infrastructure. After creation of the Authority, allocation of funds under M&R has also been reduced. As the M&R expenditure actually incurred is more than the allocation, it is necessary to fund the work of repair/renovation of SDF-V and Waterproofing treatment of terrace of SDF-I.

**SDF-I:** The building was constructed during 1973-74 and major repairs were carried out 3 years back. 32 units are located in this building carrying out export production activities.

**SDF-V:** The building was constructed during 1988 and thereafter no major maintenance was carried out in the building. 43 units are located in this building carrying out export production activities.

The MIDC was asked to inspect the premises of these building and furnish estimate for carrying out essential maintenance works in these building. They have submitted estimate amounting to Rs.149.10 Lakhs (Net) and Rs.188.61 Lakhs (Gross) for SDF-V Building and Rs.11.93 Lakhs and Rs.13.71 Lakhs.

The proposal is submitted for consideration.

Contd.....4/-

**Setting up of a Wellness Centre, Creche and wholesale price shop for employees, investment in infrastructure and project maintenance.**

SEEPZ-SEZ units employing nearing 85,000 persons and nearly 40% work force comprises of women employees. The larger number of work force averages the minimum wage level prescribed for the industry. Therefore as a welfare measure for such employee it is necessary to create the following:-

(a) **Wellness Centre-** In the case of mishap/emergency, at present there is no proper facility in the Zone for affording pre-hospitalization medical care. The nearest hospital is located nearly 1.0 Kilometer away and due to traffic congestion, it may take during peak hours even ½ hours to reach the hospital. Considering the large work force in the Zone complex, it is essential to have a Wellness Center with basic diagnostic facility in the Zone. This centre should also provide health check facility to employees at a reasonable rate. The business model for the centre will be mandatory check, paid for by the units, each worker being checked at least once a year.

(b) **Creche facility:** Nearly 40% of the workforce in the SEEPZ complex comprises of women employee. The existing Creche facility is requires better maintenance. The existing location of the Creche at SDF-III is also not suitable for running crèche facility. Considering the large women workforce in SEEPZ-SEZ workforce in SEEPZ complex, it is necessary to have a better Creche facility with proper space and facility so that interested employee can avail the facility.

(c) **Wholesale price shop:** There are nearly 85000 persons working in SEEPZ-SEZ. In large organization normally the facility of co-operative consumer shop exists as a welfare measure. However in SEEPZ there is no facility available at present. It is necessary to provide the facility of a Wholesale price shop for the benefit of employees particularly for the low paid employees.

MIDC has prepared an estimate of Rs.45.18 Lakhs (N) and Rs.51.96 Lakhs (G) for construction of small complex housing the aforesaid components at Plot near SDF-II after demolishing the existing temporary structure. The proposal is also being submitted before the Empowered Committee for funding under the ASIDE Scheme.

The above proposal is submitted for approval:-

- (i) In principle approval for setting up of above facilities in SEEPZ-SEZ
- (ii) In case the proposal is not approved for funding under ASIDE Scheme, then the expenditure need to be met from the Authority fund.

### Requirement of Manpower for Fire Station:

Considering the large number of factories located in SEEPZ-SEZ and the employment of more than 85,000 persons by them, the Empowered Committee of Ministry of Commerce & Industry approved setting up of Fire Station in SEEPZ under ASIDE Scheme and accorded sanction of Rs.520/- lakhs for the projects. MIDC is constructing the Fire Station which is in progress. As regards Manpower for running the Fire station, the Chief Fire Officer, MIDC vide letter dated 13.4.2010 has stated that the minimum manpower requirement of the Fire Station is as under:-

(a)	Fire Station Officer	-	01
(b)	Asstt. Fire Station Officer	-	01
(c)	Sub Fire Officer	-	01
(d)	Fire Rescue Leader	-	02
(e)	Driver Operator	-	04
(f)	Fireman Rescuer	-	12

The annual cost for running the Fire Station is estimate at Rs.36,96,903/- He has further stated that if SEEPZ Authority want to levy any charges for maintenance of Fire Station, the norms of MIDC for this purpose can be adopted.

The proposal is submitted for consideration

### 10. Outsourcing of Executive Assistants for Authority funds

SEEPZ SEZ has 299 operating units employing nearly 85,000 persons with annual aggregate export of Rs.10,000 Crores. The Zone spread over an area of 111 acres consisting of 7 SDF building, 3 Gem & Jewellery Complex Building, 3 Multistoried towers and a number of self built factories. Apart from various Trade delegations and number of overseas clients of the units visits SEEPZ, it is therefore necessary to ensure proper maintenance and upkeep of the Zone Complex, the existing manpower is inadequate. It is necessary to outsource supporting staff to function as Executive Assistant. The requirement of Executive Assistant is as mentioned below: -

1	For attending the work of Estate Section	-	2
2	For attending the work of caretaker	-	1
3	For attending the to be work related to public relations	-	1

The Ministry vide communication dated 10.2.2010 conveyed that a qualified Engineer of the rank of AE may be appointed on cost recovery basis to look after the estates functions. The mode of appointment will be 'deputation' by suitable officials from the State Government/State Government Organizations after creation of the post in the Authority as per the prescribed procedure.

The proposal of outsourcing services of 4 (four) Executive Assistant is submitted for consideration. The approximate cost of such engagement out of Authority fund is Rs.12.00 per annum.

### **Engagement of Hindi Consultant for Authority.**

As per the Official Language Act, the Govt. department/organization are required to implement official language in the day to day working. It is therefore proposed to engage a retired Hindi officer as consultant for the attending to work relating to Official language.

The above proposal is submitted for consideration.

### **Commissioning of an Audio Visual for SEEPZ SEZ/New SEZs for marketing.**

It is proposed to get a 2 part audio visual of Broadcast quality made on SEEPZ-SEZ and the new SEZs of DC's jurisdiction (5 + 5 minutes) from a profession agency. This is required for familiarizing people with concept of SEZ and also marketing of new SEZs. We have currently one proposal received from an agency viz. M/s Marketing & Design Elements . We need to identify 2/3 more agencies and get a technical + price bid. The method of getting the film made may be discussed in the Authority.

### **Transfer / Re-assignment of Hotel Heavens.**

The MIDC in the year 2003 allotted Plot No.A-1 in SEEPZ++ admeasuring 717.00 Sq Mtrs to M/s. Indian Coffee Workers Co-operative Society Ltd., who have also been running common canteen facilities in SEEPZ for Industrial workers since 1978 for construction of a hotel.

Apart from providing food articles at reasonable rates, they provide employees of units who bring their own lunch/dinner, to use their premises on the ground floor for taking lunch-dinner without any charges. They also allow use of water free of cost for cleaning the Tiffin. Considering the status of M/s. ICH as a cooperative institution , the Ministry of Commerce granted charging of token lease rent of Rs.1.00 per annum. M/s. ICH employee nearly 450 persons.

Due to incurring loss in the hotel project, M/s. ICH have sought permission for transfer of the hotel premises constructed to the aforesaid plot to any established hospitality service provider.

The transfer policy of SEEPZ covers transfer of premises in respect of units and not of utilities since the hotel project proposed to be transferred is in the nature of a utility, the proposal is submitted for consideration.

### **Revised Tender for Business Facilitation Centre:**

The Business Facilitation Centre Building comprising Food Courts, Conference Hall, Banquet Hall, Heath Club and Guest House. A tender notice was issued in the newspaper for leasing the premises to a single profession hospitality agency. No response was received.

The rent for the premises worked out by the MIDC is Rs.58 Sq. Ft. per month plus service charges of Rs.56 sq. Mtr. Per annum and applicable municipal taxes. The lack of response has been mainly due to the reason that in SEEPZ the clientele is limited to the units located within the Zone as entry of outsider is not permitted. As substantial investment required to be made by the tenderer for doing up the premises, it is likely that the rate of return on the investment may be negligible. Considering these limitation, the rent is being worked out under the FR 42 B.

It is proposed to re-advertise the tender with the revised rent inviting interested hospitality agencies.

The proposal is submitted for consideration.

**15. Health check up for employees of units:-**

SEEPZ-SEZ units employing nearing 85,000 persons and nearly 40% work force comprises of women employees. It is proposed to hold a health check up camp for the welfare of the workers. The initial camp is proposed to be held on 16.5.2010 to 31.5.2010. It is expected that 3000 persons can be checked during the aforesaid camp period. The total estimated expenditure for the camp is approx Rs.20/- Lakhs. The health check up covers clinical check up, eye check up and dental checkup. The estimated expenditure is proposed to be met as follows:-

- (a) 70% by the employers
- (b) 20% by the Industry Associations
- (c) 10% by the SEEPZ SEZ Authority

The proposal is submitted for consideration.

**16. Preservation of Old Church Building:**

The protégées church located within the Zone complex is stated to be of 16<sup>th</sup> century AD. The structure is too old and in dilapidated condition. The Christian community offers prayers at the church once in a year on 2<sup>nd</sup> week of May every year. For this purpose, as directed by Ministry of Commerce & Industry, a separate gate has been provided which provides access to the Church from Outside on this event.

The Church site was inspected by the Archaeological Survey of India and vide their letter dated 20.4.2010 it has been stated that to avoid any untoward incident, proper conservation work needs to be done at this monument. To take immediate preventive it is essential to strengthen the whole structure stepwise, including clearance of vegetation, debris, stitching of cracks, repairing of walls, edging and plastering etc.