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Minutes of the sixth meeting of the SEEPZ Authority held on 5th May, 2010

Present:

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| 1. Development Commissioner
SEEPZ (SEZ) | - | Chair Person |
| 2. Joint Development Commissioner
SEEPZ (SEZ) | - | Member |
| 3. Shri J. K. Singh
Jt. DGFT, Mumbai | - | Member representing Zonal DGFT |
| 4. Mr. Amar Kothari
Managing Director
M/s Intergold India Ltd. | - | Member |
| 5. Shri P.S. Raman
Dy. Development Commissioner | - | Secretary |
| 6. Mrs. M.J. Kulkarni
ADC | - | Manager (Estate) |

Agenda Item No. 1: Presentation of status of funds with SEEPZ Authority and suggestion on deployment.

The Authority noted that a sum of Rs. 28.74 Crores is available in the Authority Fund, out of which Rs. 18.00 Crores is kept in temporary Fixed deposit and the remaining in the Current Account of the Authority Fund. It was also noted that as provided under Rule 6 of the SEZ Authority Rules, a Chartered Accountant to be engaged for maintenance and audit of Authority's account, for which quotations have been invited from five Chartered Accountant firms who are in the Panel of CAG. It was further noted that receipt and expenditure estimate would be prepared as soon as the Chartered Accountant firm is engaged for maintenance and finalization of accounts of the Authority.

Decision: - The Authority decided that keeping a sum of Rs. 3.00 Crores in the Current Account, the remaining amount may be deposited as fixed deposit so that such deposit can fetch better rate of interest. It was also decided to take further professional advise for proper investment of funds as per Rules & Govt. Norms.

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Agenda Item No. 2: Appointment of Chartered Accountant for Accounts and concurrent audit work of SEEPZ Authority.

It was noted that out of five quotations invited from file Chartered Accountants Firms who are on the panel of CAG, only two firms have submitted quotation. It was also noted that the Professional fees quoted by M/s. B.N. Kedia & Co. is the lowest i.e. Rs. 14,400/- per month (Professional fees of Rs. 12000/- per month plus out of pocket expenses not exceeding 20% of Professional fees).

Decision: - The Authority approved engagement of M/s. B.N. Kedia & Co. as Chartered Accountant for maintenance and audit of the Authority's account.

Agenda Item No.3: Re-development plan for SEEPZ

The Authority noted that additional FSI of 581315 Sq. mts is available to SEEPZ. It was also noted that as availability of space in SEEPZ has been less than the demand for space, taking into account the expansion needs of the existing units and the need for providing space for setting up new units, it is necessary to utilize the additional FSI so that additional space becomes available. It was further noted that the M.I.D.C. has submitted a proposal for Re-development of SEEPZ envisaging investment of approximately Rs. 1200 Crores spread over a period of 8 years. This proposal envisages full utilization of available FSI, by construction of 8 towers. After construction of a new tower, the existing allottees will be given equivalent built-up space of what they presently have and the remaining space will be sold at market rate. The Chair-Person informed that based on discussion and the presentation by MIDC in respect of their proposal, preliminary views of the Zone Administration were conveyed to the CEO, MIDC, vide D.C. SEEPZ, D.O. letter No. SEEPZ SEZ/EMS/Min/09-10 dated 15/04/2010. It was noted that in case of PPP initiative, a mechanism to ensure quality standards of towers in which existing units will be re located and pricing of space in new towers etc. should be there so that expansion of Exports/Employments in SEEPZ can continue.

Decision: - The Authority welcomed the Re-development Plan & agreed with the view expressed in the letter of DC dated 15.04.2010. It was also decided that the possibility of obtaining ASIDE fund for construction of a single Tower by MIDC be explored.

Agenda Item No. 4: Proposed refinery projects in SEEPZ – decision on allotment of a plot of land.

It was noted that a common refinery facility is required in SEEPZ to take care of the disposal of septic tank waste and gutter waste. M/s. Hoover and Strong, U.S.A., have forwarded a project proposal for setting up of a refinery in SEEPZ after preliminary discussion with the SGJMA and some of the units. They have indicated minimum land requirement of 1000 Sq. mts.

Decision: - The Authority held that -

- 1. It is necessary to assess whether the technology offered by M/s. Hoover and Strong, U.S.A. is reasonably latest. They may be asked to give a self-assessment, certified by an internationally accepted authority.*
- 2. The level of technology offered by M/s. Hoover and Strong, U.S.A. may also be got verified from expert agencies like BIS, MMTC, etc.*
- 3. Expertise of the Refinery wing of IJMA may be utilized for this purpose.*
- 4. After the technology issue is settled, the question of allotment of land could be further discussed.*

Agenda Item No. 5: Bio-Methanization plant – approval of agreement by Authority.

The Authority noted that based on the tender notice advertised in news papers, the offer received from M/s. Ashoka Biogas has been recommended to the Ministry of New and Renewable Energy (MNRE), New Delhi, for considering admissible grant to the entrepreneur. The total project cost envisaged is Rs. 80.00 lacs out of which the grant expected is to the extent of 50% of the project cost. The remaining contribution shall be from the promoter. The promoter has stated that requirement of land for the purpose would be 1500 Sq. mts. which should be leased for a 30 years. It was noted that land for locating the Methanization project has

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been identified near the G & J complex-II. The representative of the MIDC stated that there are no issues with regard to the SPA.

Decision: - The Authority granted in principle approval proposal for allotment of 1500 Sq. mts., of land to M/s. Ashoka Biogas for a period of 30 years on usual terms and conditions for setting up of Bio-Methanization Plant.

Agenda No. 6: Lift & Ramp For SEEPZ Service Centre Building.

The Authority noted that the proposal is for providing a Ramp & modular Lift in the Service Centre Building. It was noted that the office of Development Commissioner and SEEPZ SEZ Authority are located in this building and various important Government delegations, Trade delegations, Trade missions and overseas entrepreneurs visit the office. The building is not friendly for access by the elders & physically challenged, which is a mandatory requirement. The visitors as well as the functionaries of units, particularly senior citizens, require facility of the lift in the Service Centre Building.

It was noted that the MIDC has submitted an estimate of Rs. 51.69 lacs (including 12.5% ETP charges) for providing modular Lift for Service Centre Building. A Ramp should be added in the estimate.

Decision: - The proposal was approved. The expenditure for Ramp & Lift is to be incurred from the Authority Fund.

Agenda No. 7: Repair / Renovation of SDF-V and Waterproofing treatment of terrace of SDF-1 Building out of Authority funds.

The Authority noted that urgent waterproofing treatment of terrace of SDF-I and repair/renovation of SDF-V are required. It was further noted that SDF-I 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. The representative of MIDC informed that waterproofing was carried out 3 years back only in part of terrace for want of funds and present proposal is for carrying out Waterproofing work in the remaining area of the terrace.

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As regards SDF-V, the Authority was informed that the building was constructed during 1988 and no major maintenance has been carried out in the building since then 43 units are located in this building carrying out export production activities.

After inspecting the building premises, the MIDC has submitted estimate of Rs.188.61 lacs in respect of renovation of SDF-V building and Rs.13.71 lacs for carrying Waterproofing treatment of SDF-I.

Decision: - The Authority approved the proposal for carrying out waterproofing work in SDF-I. It was decided that SDF-V Renovation being a major work, exceeding Rs. 50 lakhs and also not a construction of infrastructure, should be posed for M & R funds, as ASIDE funding is not likely to be available.

Agenda No. 8. Setting up of a Wellness Centre, Creche and wholesale price shop for employees, investment in infrastructure and project maintenance.

The Authority noted that SEEPZ Units employ nearly 85,000 persons and nearly 40% of work force comprises of women employees. The wages of large number of work force averages the minimum wage level prescribed for the industry. At present in SEEPZ SEZ there is no facility available for providing preliminary medical aid, pre-hospitalization medical care in the case of mishap/emergency or health check-up. Therefore, considering the large number of employees in the zone complex, it is necessary to provide a Wellness Centre.

It was also noted the existing Creche facility 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 complex, it is necessary to have a better Creche facility with proper space and facility so that interested employee can avail of the facility.

Similarly, the facility in the nature of a co-operative consumer shop in the Zone would serve as a welfare measure and would benefit employees, particularly those employees whose wages are relatively averaging at the minimum wage level.

It was noted that the MIDC has furnished an estimate of Rs. 51.96 lacs for construction of a small complex to accommodate (i) Wellness Centre (ii) Creche facility and (iii) Wholesale Price Shop. An independent plot which has temporary construction can be used for this purpose. After detailed discussion the Authority granted in principle approval above proposal.

Decision: - The Authority directed that the proposal may be forwarded to the Ministry for the seeking fund under the ASIDE Scheme. In case the proposal is not approved for funding under the ASIDE Scheme for any reason, then the proposal may be re-submitted for consideration of the Authority.

Agenda No. 9 : Requirement of Manpower for Fire Station :

It was noted that considering the large number of factories located at SEEPZ SEZ and employment of nearly 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/- lacs 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 13.04.2010 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 estimated at Rs. 36,96,903/-. The representative of MIDC 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.

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Decision: - The Authority approved the above proposal for incurring an estimated expenditure of Rs. 36,96,903/- from the Authority Fund. It was decided that the possibility of recovering the cost from the Units by way of Fire Cess as charged by MIDC from industrial units outside SEEPZ, may be worked out & approved.

Agenda No. 10 : Outsourcing of Executive Assistances for Authority funds.

It was noted that at present 299 operating units employing nearly 85,000 persons with annual aggregate export of Rs. 10,000/- Crores. The Zone is spread over an area of 111 acres consisting of 7 SDF buildings, 3 Gem & Jewellery Complex Building, 3 Multistoried Towers and a number of self built factories. Apart from various Trade delegations and number of overseas client of the units visit SEEPZ. It is therefore necessary to ensure proper maintenance and upkeep of the Zone Complex, for which the existing manpower is inadequate. It is therefore necessary to outsource supporting staff to function as Executive Assistant. It was informed that the requirement of Executive Assistant is as mentioned below :

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| 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 10.02.2010 conveyed that a qualified Engineer of the rank of AE may be appointed on cost-recovery-basis to look after the estate 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.

Decision: - The Authority approved the proposal for outsourcing of services for Executive Assistant and taking services of an Assistant Engineer on deputation from the State Government / State Government Organization. The Authority approved the estimated expenditure of Rs. 12.00 lacs per annum for the purpose. As regards the Asst. Engineer, since the communication from the Ministry specifies appointment on cost recovery basis, the cost recovery is to be affected from units accordingly.

Agenda No. 11: Engagement of Hindi Consultant for Authority.

It was decided to get the issue examined in file.

Agenda No. 12: Commissioning of an Audio Visual for SEEPZ SEZ/ New SEZs for marketing.

The Authority noted that the proposal is 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.

Decision: - The Authority held the view that estimate may be obtained from reputed agencies and the work may be awarded on the basis of Limited Tender Procedures.

Agenda No. 13: Transfer /Re-assignment of Hotel Heavens.

The Authority noted that M/s. Indian Coffee Worker Co-op. Society Ltd. who have been running common canteen facilities in SEEPZ for the Industrial workers since 1978, have sought permission for transfer of their Hotel Premises on Plot No. A-1 in the SEEPZ ++, constructed by them in the Plot allotted by the MIDC in 2003. The Authority was informed that the existing guide-lines for transfer of premises in SEZ covers only premises of units. The present request pertains to Hotel premises which is in the nature of a utility. It was noted that as utility is not covered in the existing transfer guide-lines, the matter has been brought for the consideration of the Authority.

It was further noted that the above mentioned plot was allotted to M/s. ICH by the MIDC based on tender notice published in newspapers. M/s. ICH have stated that they have huge liabilities by way arrears of wages, bonus and statutory payments in respect of employees, bank loan availed for construction of the premises etc. The proposal of M/s. ICH is to pay up the existing liabilities from the proceeds of transfer of the Hotel Premises and to utilize the balance funds for strengthening their existing common canteen facilities in SEEPZ SEZ. It was noted

that considering the co-operative institution status of M/s. ICH, they have been charged only token rent of Re.1 by the Ministry of Commerce and Industry. The Authority was informed that the M/s. ICH employ nearly 450 persons and have been running common canteen facilities for the units in the zone. They also provide use of their premises free of charge for taking breakfast/lunch/dinner by employees of units who brings their tiffins/lunch/dinner. They also allow use of water free of cost for cleaning their tiffin box. The matter was discussed in detail. Present transfer policy applies to units & not to utilities. However, it was discussed that the co-operative organization should not collapse on account of their liabilities. The question whether the ICH can select one particular agency for a transfer was also discussed. It was felt that to ascertain the best price, bidding could be one option. MOC & I's views that Zone Administration should not get into the process of bidding was pointed out by the Chair person.

Decision: - After detailed discussion on the subject, it was decided that:

1. *Valuation of the Hotel premises may be got done from a Government approved Valuer.*
2. *The real position of liabilities duly certified may be ascertained.*

Agenda No. 14: Revised Tender for Business Facilitation Centre.

It was noted that no response was received to the Tender notice published in the newspapers inviting tenders on the basis of proposal of leasing of premises in the BFC building to a single professional hospitality agency, probably for the reason that the rent of Rs. 58/- per sq.ft. per month worked out as per MIDC norm was on the higher side and also since the clientele is restricted to within the Zone which also restricts the return on investment. The Authority was informed that the rent for Govt. buildings viz. SDFs are calculated on the basis of FR45B provision in terms of which the lease rent is likely to be lower as compared to lease rent calculated as per MIDC norms. Therefore, since the BFC building is constructed out of Govt. of India funds, the possible option seems to be to calculate the lease rent on the basis of FR45B and re- advertise the tender with the revised lease rent inviting tenders from interested reputed hospitality agencies. In case no response is received even with reference to the revised tender, the facilities may be given out for running on modular basis.

Decision: - The Authority approved the proposal.

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Agenda No. 15: Health check-up for employees of units.

The Authority noted that the proposal is to provide a health check up camp for employees of Units. It was also noted that 3000 persons are expected to be checked during the camp period for which estimated expenditure is approximately Rs. 20.00 lacs. The Authority held the view that as per the objectives prescribed for use of Authority funds, contribution from the Authority towards the expenditure for the health camp may not be permissible.

Decision: - The Authority welcomed the idea of the camp & held the view that space may be provided without any charge considering that the health camp is intended to benefit a large number of employees of units, particularly those who receive wages averaging the minimum wages level. The camp could be sponsored by respective units & the Association.

Agenda No. 16: Preservation of Old Church Building.

The Authority was informed that the Christian community offers prayers at the Church located within the Zone complex every year in the 2nd week of May. This Church is stated to be of 16th Century A.D. As directed by the Ministry of Commerce, the Zone Administration has provided a separate gate which provides access to the Church from outside.

The Church site was inspected by the Archaeological Survey of India and vide their letter dated 20.04.2010 it has been stated that to avoid any untoward incident, proper conservation work needs to be done at this monument. It is essential to strengthen the whole structure stepwise, including clearance of vegetation, debris, stitching of cracks, repairing of walls, edging and plastering etc.

The ASI have stated that this monument can be taken up for conservation work under the financial assistance scheme or civil deposit work if the controlling department of the monument (SEEPZ) deposit substantial funds for the proper conservation of this monument to the Director General of ASI. Preservation of this ancient church is required for the posterity.

Decision: - The Authority held the view that it may be taken up with the ASI as to whether they can consider the Church as a monument of heritage preservation, in which case deposit

of substantial fund may not be necessary. If this does not materialize, funds could be arranged on request by the Church Community.

The meeting ended with vote of thanks to the Chair.
