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**MINUTES OF THE 7TH MEETING OF THE SEEPZ -SEZ AUTHORITY
HELD ON 21.07.2010.**

Present:

1. Development commissioner, SEEPZ-SEZ : Chairperson
2. Joint Development Commissioner, SEEPZ-SEZ. : Member
3. Shri Amar Kothari, Managing Director, M/s. Intergold India Ltd. : Member
4. Shri Rajiv Sheth, Managing Director M/s. Tara Ultimo. : Member
5. Shri P.S. Raman, Dy. Development Commissioner : Secretary
6. Mrs. M.J. Kulkarni, Asstt. Development Commissioner. : Manager (Estate)

Agenda Item No.1: Budget and work plan of the Authority for the year 2010-11.

The Budget for the year 2010-11 was approved by the Authority envisaging operational income of Rs.2413 lakhs, operating expenditure of Rs.446.22 lakhs, programme of capital works of Rs.1700 lakhs and a surplus of Rs.266.78 lakhs.

2. Creation of posts for Authority

It was noted that Ministry's communication No.A-2/2/2010-SEZ dated 18.6.2010 specifies that SEZ Authorities are required to submit proposal to Ministry for creation of posts in the Authority to facilitate deputation of existing employees of the Zone to the Authority. It has also been stated in this communication that in case of non availability of qualified Engineer to look after the Estate function, other option needs to be explored however, a uniform Management in this regard is to be made in all 7 Authorities with the approval of the Ministry.

The Authority directed that proposal may be submitted to Ministry for creation of the following posts in the Authority:-

Sl. No.	Name of post	No. of Posts	Pay scale
1.	Secretary	1	Rs.15,600 – 39,100 + Rs.6,600 G.P.
2.	Manager (Estate)	1	Rs.15,600 – 39,100 + Rs.5,400 G.P.
3.	Asstt. Engineer	1	Rs.9,300 – 38,400 + Rs.4,600 G.P.
4.	Asstt. Estate	2	Rs.9,300 – 38,400 + Rs.4,200 G.P.
5.	Caretaker	1	Rs.5,200 – 20,200 + Rs.2,400 G.P.
6.	Stenographer	1	Rs.9,300 – 38,400 + Rs.4,200 G.P.
7.	Data Entry Operators	3	Rs.5,200 – 20,200 + Rs.1,900 G.P.

It was decided that outsourcing of services of four Executive Assistants approved earlier may not be outsourced since approval of the Ministry is required for creation of the posts in the Authority.

3. Work projects to be taken up out of Authority funds –

a. Wellness Centre, crèche and wholesale price shops for employees.

The Authority noted that presently there are 293 units operating in SEEPZ employing nearly 85,000 persons, 40% of which comprises of female employees. It was also noted that at present there is no dispensary facility available in the Zone for healthcare and a large number of workers in the units are receiving wages on an average, only at the level of minimum wages prescribed by the Government and therefore, providing the facility of a wholesale price shop in the zone would greatly help them and would be a measure towards their welfare. It was noted that the estimated expenditure for a block with a built-up area of 255 sq. mtrs. for housing the Wellness Centre, Crèche facility and wholesale price shop for employees, works out to Rs.48.15 lakhs.

Mr. Rajiv Sheth, Managing Director, M/s. Tara Ultimo stated that his company would be willing to operate the integrated facility of Wellness Centre, Crèche and Wholesale price shop if permitted by the SEEPZ Authority. He said that alternative offers can also be explored so that the facility is run in the best possible manner.

Decision: The proposal was approved and the expenditure to be met from the Authority fund.

b. Renovation of Type-C SEEPZ Quarters.

It was noted that repairs of C-Type quarters were carried out in the past during 1999-2000 and at present, the six C- type quarters required urgent repairs. It was noted that the estimate relating to repair of quarter No.1 & 2 (where CGHS Dispensary is located), has already been approved. It was further noted that the estimated expenditure for repair of remaining 4 C-type quarters is approximately Rs.25 lakhs. It was noted that the Staff Quarter is located outside the Zone and the Authority Rule provides for expending the Authority Fund for creation and maintenance infrastructure in the Zone.

Decision: The Authority held the view that the expenditure may be considered for incurring under the M&R Fund since the Staff quarter are located outside the Zone Complex.

c. Development of parking spaces in SEEPZ

It was noted that the existing parking space is grossly inadequate and there is need for creating proper parking facility for 3000 2-wheeler vehicles. The Authority directed that the parking places for development may be identified keeping in view the suggestions in the Disaster Management Plan. It was noted that the estimated expenditure for the work is Rs.40 lakhs.

Decision: The proposal was approved and the expenditure to be met from the Authority fund.

d. Renovation of SDF-V.

It was noted that SDF-V premises require urgent renovation. The Authority was informed that considering the urgency, the MIDC has been asked to initiate Tender procedures in view of urgency in the matter. The estimated expenditure is Rs.50,02,000/-. The Chairperson stated that some of the units located in the building have in the recent meeting suggested that it would be better to strengthen the structure and thereafter take up other repair works.

It was noted that for carrying out the work strengthening of structure and other repairs, the expenditure involved would be much more.

Decision: The Authority directed that stability audit of the structure may be carried out and estimate may be got prepared for carrying out comprehensive & proper renovation of SDF-V and its structural strengthening.

e. Providing Speed breakers in the internal road within the Zone Complex.

It was noted that the proposal is for providing speed breakers within the Zone Complex in 34 locations at an estimated cost of Rs.1,03,39,000/-.

Decision: The number of locations should be reviewed and reduced. A representative of Industry Associations may also be included in the team for carrying out the review.

4. Proposal for revision of penalty charges for delay in execution of Lease Agreement.

It was noted that the proposal is for increasing the penalty for non-execution of Lease Agreement from existing Rs.1/- per sq.mtr. per year to Rs.100/- per sq. mtr. per year for delay in execution of Lease Agreement.

Decision: The Authority approved the proposal. It was also decided that a one time moratorium will be provided till 15.08.2010 for payment on the existing rate.

5. Transfer of Hotel Heavens by Indian Coffee Workers' Co-operative Society Ltd.

It was noted that M/s. ICH which is Co-operative institution and have been running common canteen facility for the workers of SEEPZ units in the Zone since 1978 have sought permission for transfer of premises in respect of Hotel Heaven. The Authority was informed that M/s. ICH have been leased built-up premises for running the canteen facilities in SEEPZ at the token rent of Re.1/- per sq.mtr. per month and this benefit is passed on by them to the employees of the Zone units by way of reasonable rate for their articles of food as compared to Restaurants outside the Zone.

It was also noted that the plot No.A-1 in the SEEPZ++ where M/s. ICH have constructed Hotel Heaven out of their own fund, was allotted to them by the MIDC against the Tender Notice published by them. M/s. ICH is

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Cooperative venture and employ nearly 400 workers including contract employees. M/s. ICH have stated that they have been incurring loss and as per the C.A. certified documents submitted by them, they have an accumulated liability of Rs.6.29 Crores as on 31.3.2010. Their proposal is to transfer the premises of Hotel Heaven, which is a self-built premises, to M/s. Sun City Hotel, and to pay up the entire liabilities out of the transfer proceeds and thereafter to strengthen the existing Canteen facilities in SEEPZ in the leased premises.

The Committee noted that as per the Guidelines for transfer of premises, only manufacturing units are covered and M/s. Hotel Heaven being in the nature of a utility is not covered in the Guidelines. It was also noted that the Lease Agreement executed by them provides for transfer of premises with the consent of the Development Commissioner, as is the case in the Lease Agreement in respect of units.

After detailed discussion on the subject, considering that (i) M/s. ICH is a Cooperative institution, (ii) they have been serving as a common canteen facility for the employees of the unit since 1978, (iii) the Lease Agreement provides for transfer of premises with the consent of the Zone Administration and (iv) the premises of Hotel Heaven are constructed by M/s. ICH out of their own fund and that the plot A-1, SEEPZ++ on which the superstructure is constructed have been allotted to them by the MIDC against Tender procedures, the view held was that the request may be considered ensuring the clearance of existing dues and further that balance amount should also be utilized for improving the existing canteen facilities in the SDF premises.

Decision: The Committee approved the proposal subject to following conditions:-

- 1> The payment will be released by M/s. Sun City in three installments.
- 2> The 1st installment will be the amount equivalent to the wage dues of employees including employees who had resigned / superannuated. The payment will be disbursed to the employees concerned in the presence of a representative of SEEPZ Administration.

3> The 2nd installment will be the amount equivalent to the bank dues and vendors dues which will be cleared by M/s. ICH within seven days from the receipt of payment and proof thereof should be submitted to the Development Commissioner.

4> The 3rd and final installment will be released after utilization of the amount of 1st & 2nd installments as stated above. M/s. ICH will also submit to SEEPZ Administration proposal as to how they plan to utilize the 3rd installment amount for improving the existing common canteen in SDFs and for welfare of their employees.

6. Re-development plan for SEEPZ-SEZ -Identification of SDFs/G&J Buildings for re-allocation.

The Committee noted that there is requirement of additional space for expansion of the existing units and also for new units. It was also noted that as the possibility for allotment of additional land from the adjoining Aarey Milk Colony has been getting delayed due to procedural difficulties, the other option would be to go in for re-development which is possible since SEEPZ has an unutilized FSI of 55.00,000 sq.mtrs. available. This issue also came up for discussion during the recent visit to SEEPZ of the Minister for Industries, Government of Maharashtra, and also in the meeting the Hon'ble Minister for Industries, held recently at Mantralaya with the Additional Secretary, MOC&I.

The MIDC has prepared a Plan for the re-development of SEEPZ envisaging an estimated expenditure of Rs.1200 Crores for construction of 8 Towers, over a period of 8 years. The re-development can only be taken up in a phased manner so that inconvenience to the existing units is minimized and the investment requirement can also be phased out. It was noted that the SDF-I, SDF-II & Gem & Jewellery Complex No.1 are the buildings which are in bad condition and should be considered for re-development in the 1st phase.

On: The Authority held the view that initially one Tower with an area of 25,000 sq.mtrs. may be taken up, in which the allottees of one building could be shifted. It was decided that the Gem & Jewellery Complex No.1 should be taken up for re-

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development initially as the condition of the building is very bad. The Authority directed that proposal in this regard may be submitted to the Ministry seeking funds from the ASIDE Scheme.

7. Refinery for SEEPZ

The Committee noted that though most of the Gem & Jewellery Units have own Refinery, several of them do not conform to the MPCB norms. The fire incidents which took place in the past were mostly in the refineries. It is, therefore, necessary to have a common refinery facility in SEEPZ with modern technology so that the disposal of septic tank waste / gutter waste can be taken care of, apart from refinery requirements of the Gem & Jewellery units.

It was noted that a proposal has been received from M/s. Hoover & Strong for setting up of a refinery in SEEPZ. The concern expressed by some of the units has been that whether the technology offered by M/s. Hoover & Strong is the latest and what advantage would accrue to the units in terms of recovery of precious metal if they switch over to the facility proposed to be set up by M/s. Hoover & Strong. The Chairman of the Gem & Jewellery Association stated that he had discussed the issue of refinery with some of the Members and major Gem & Jewellery units in the Zone and the view emerged were as follows:-

- 1> It is necessary to have a refinery unit in SEEPZ.
- 2> It is also necessary to prescribe Guidelines for levy of charges by the refinery so as to ensure that no unreasonable rate is charged by them.
- 3> As a verification process, sample should also be got tested from Government Mint or any other reputed refinery periodically so as to compare the actual percentage of recovery of precious metal.
- 4> The units should have the option either to utilize the common refining facility or to continue with their own refinery subject to compliance of MPCB norms.

After detailed discussion, it was noted that there is consensus for having a common refinery unit in SEEPZ-SEZ. The Chairman of the SG&JMA stated that the Association would not be interested in themselves setting up

a common refinery facility. He further stated that the requirement of setting up of a refinery unit in SEEPZ may be advertised in the Trade Magazine which widely read by those in the Industry.

Decision: The Authority directed that the following steps may be taken in this regard:-

- 1> The proposal given by M/s. Hoover & Strong may be got assessed by any International reputed Agencies so as to ensure that the technology offered by them is reasonably latest.
- 2> The existing refineries in the units should be audited by a reputed agency to ascertain whether they conform to the MPCB norms. Wherever they do not conform, such refineries should not be allowed to continue.
- 3> The assessment of the existing proposal of M/s. Hoover & Strong by an independent reputed certification agency to be completed within 45 days.

8. Utilization of Business Facilitation Centre

The Committee noted that the MIDC had fixed the lease rent for BFC premises @ Rs.56/- sq. ft. per month. Accordingly, the Zone Administration had floated an integrated tender notice for the various facilities in the BFC building. However, no response was received. The Authority was informed that the lease rent fixed by the MIDC is @ Rs.56/- per sq.ft. per month and as per FR46 B, the lease rent works out to Rs. 44/- per sq. ft. per month whereas the existing highest lease rent charged for manufacturing area is @ Rs.12.31 per sq. ft. per month. Therefore, the Authority in its 6th Meeting held on 5.5.2010 directed that the lease rent may be calculated in terms of FR 45 B provision and accordingly revised tender may be issued. Further examination of the issue has revealed that the following issues need to be taken into account:-

- 1> The clential in the Food Courts / other facilities in the BFC will be limited as clients outside SEEPZ are not permitted to come.
- 2> Only open hall is provided and expenditure for flooring and other interior works has to be incurred by the allottees.

The President, SG&JMA, Chairman, SEEMA, and Regional Director, EPC were also invited to discuss the issue as to whether what would be the best course of action to utilize the premises available in BFC building. The Authority noted that the premises have been remaining un-utilized almost one year and taking into account the present needs of the Trade, the utilization of premises can be decided.

The Authority was informed that M/s. Kaydee Caterers have made a request for allotment of canteen space in the BFC stating that they would be willing to pay double the prevailing lease rent. It was also informed that M/s. Kaydee's were operating Canteen facility in the same location where the BFC building has been constructed and at the time of their shifting from the location, it was decided by the then Development Commissioner on file that there should not be any request for preferential allotment or otherwise in the new complex. **The Authority held the view that considering the need for maintaining proper hygiene and cleanliness in the premises and performance of the Kaydee's in the past, M/s. Kaydee Caterers may not be allotted canteen space in the BFC.**

Decision: After detailed discussion on the subject with the Industry representatives, the Authority directed that the following measures may be taken:-

Sr. No.	Floor	Total floor area available in each floor (Built-up area)	Measures directed by the Authority
1.	Ground	471.18 sq.mt.	Offers may be invited from leading hospitality service providers so that what is the best offer coming forward can be known. The rent to be charged can be decided based on the response received and also the rents arrived at as per FR 45 B.
2.	First	461.65 sq. mt.	May be allotted to Banks if they are interested.
3.	Second	461.65 Sq.Mt.	A Circular may be issued to all SEEPZ units stating that the

			facility of Board Room, banquet hall, convention centre, etc. is available in the BFC and the rent payable is @ Rs.15,000/- for eight (8) hours.
4.	Third	355.65 sq. mt.	Part of the area is already allotted to the EPC & SG&JMA. The remaining space may be considered for allotment to SEEPZ Energy Saving Association and any other service provider.
5.	Fourth	Gym - 230.83 sq.mt. Yoga 230.83 sq.mt.	Offers may be invited from leading Gym Operators for running the facility. The rent to be charged can be decided based on the response received. If this area is not required by the Gym Service Provider, it may be allotted for a Design Centre for Jewellery.
6.	Fifth	385.91 sq.mt.	Offers to be invited from leading hospitality service providers for running the Guest House facility. Depending on the response received, lease rent and charges for using the guest house facility to be decided.

The Meeting ended with vote of thanks to the Chair.

Anita Agnihotri

Chairperson-cum-
Development Commissioner
SEEPZ-SEZ Authority.