

86

**MINUTES OF THE 8<sup>TH</sup> MEETING OF THE SEEPZ -SEZ AUTHORITY**  
**HELD ON 28.10.2010.**

Present:

- |  |   |                                     |
|--|---|-------------------------------------|
| 1. Development commissioner, SEEPZ-SEZ                                     | : | Chairperson                         |
| 2. Joint Development Commissioner,<br>SEEPZ-SEZ.                           | : | Member                              |
| 3. Shri H.D. Lokesh,<br>Dy.JDGFT   | : | Representative<br>of the Zonal DGFT |
| 4. Shri P.S. Raman,<br>Dy. Development Commissioner                        | : | Secretary                           |
| 5. Mrs. M.J. Kulkarni,<br>Asstt. Development Commissioner.                 | : | Manager (Estate)                    |
| 6. Shri Amar Kothari,<br>Managing Director, .<br>M/s. Intergold India Ltd. | : | Member                              |
| 7. Shri Rajiv Sheth,<br>Managing Director<br>M/s. Tara Ultimo.             | : | Member                              |

**1. Balance Sheet of the Authority for the year 2009-10.**

The Authority was informed that M/s. Kedia & Company, Chartered Accountant have prepared the balance sheet of the Authority in respect of the year 2009-10. The Authority noted that the balance sheet shows a surplus of Rs.24,34,24,886.50 as substantial expenditure for the various M & R works, electricity charges and salary of Security and other staff dealing with the Authority's works, were incurred from the regular budget allocation, only expenditure amounting to Rs.64,17,114/- was incurred from the Authority's Fund. The balance sheet has been prepared based on the assumption that Income Tax is not applicable in respect of the Authority's fund.

As regards Income Tax, the Authority was informed that it is understood from the Cochin SEZ Authority that they have made a reference to the Ministry seeking Income Tax exemption on the ground that the Authority is not a commercial organization and that the collection of revenues and expenditure, hitherto made into the Consolidated Fund of India and drawn from it under budgetary grants under various heads are now deposited in a fund created by the same Act of Parliament and utilized in a manner as before except that the expenditure is not voted by Parliament.

**Decision:** The Authority approved the balance sheet in respect of 2009-10 and directed that regarding Income Tax exemption matter, the Authority should make a reference to the Ministry seeking exemption as has been sought by the Cochin SEZ.



It was also directed that list of lease rent/surcharge dues may be prepared indicating names of units which are defunct. Also list of units who have not yet executed Lease Agreement may be prepared.

## **II. Repairs to SDF-I, II & V and G&J Complex No.III.**

The Dy. Engineer, MIDC stated that the estimates in respect of SDF-I & II have been prepared based on the inspection of the buildings carried out by MIDC as SEEMA's representative was not available. He further stated the estimate does not include painting of the buildings.

The Chairperson observed that the SDFs though old will have to be made an improved location for business for some more years; also that the MOC&I did not agree to bring down of G&J Complex-I, while considering ASIDE funds for a new Tower. Therefore, the MIDC was directed to consult the Associations and to revise the estimate to cover comprehensive repairs to the buildings. It was directed that MIDC should complete this exercise in a week's time and submit the revised estimate.

As regards SDF-V and G&J Complex No.III, the Dy. Engineer stated that the estimate include comprehensive repairs to the buildings and the estimates have been prepared based in consultation with the Association and Units.

**Decision:** The Authority approved estimates in respect of SDF-V and G&J Complex No.III. It was directed that the revised estimate in respect of SDF-I & II can be approved by the Chairperson and the details can be submitted to the next Authority so that the Tender procedures, etc. can be started and the work can be taken up and completed before next monsoon. With regard to providing and installing automotive Retractable Bollards at all the gates, the Authority decided to defer the proposal, which can be considered after implementation of the Electronic Surveillance System by MIDC.

## **III. Common Refinery**

M/s. Diamond India Ltd.(DIL) gave a presentation. It was noted that the company has diverse shareholders and is at present in the activity of trading of diamond. The Company is about two years old. The CEO of the company stated that DIL already has association with some of the SEEPZ units and is in a position to invest money required for setting up of a Refinery. The President of the SG&JMA observed that it needs to be seen as to whether the interest of the company is to start a refinery initially but later on to concentrate on manufacturing or trading discontinuing the refinery activity if that becomes uneconomical. Mr. Amar Kothari stated that reputation of the company is good and since it has diverse investors i.e. 58 different investors, their track record in the past has been good. Therefore, there is no harm in getting a proposal from them and examine the same. Mr. Rajiv Sheth stated that M/s. Hoover & Strong have after their visit to SEEPZ, discussion with the industry representatives and drawing sample of the septic tank waste, have shown interest in setting up the refinery. Considering the international standing of the company in the refining activity, it would be desirable to consider their proposal.



The President of the Association observed that whoever is setting up a refinery, the units would be willing to avail their services only if the recovery percentage is more than what they presently get from their own refinery.

**Decision:** The Authority directed that M/s. Hoover & Strong may propose setting up of a unit as third party certification with reference to their technology is available on record. Simultaneously, M/s. DIL may also be asked to submit their detailed Project report along with the proposal within a month's time so that the proposals can be assessed in the next Authority meeting.

#### **IV. Incubation space for New technologies – Tie up with IIT-B-SINE.**

The Chairperson stated that the Ministry of Commerce has been keen that the SEZs should create incubation space for new technologies in association with institutions of repute. In this regard, the Zone Administration had discussion with the IIT-SINE, Mumbai and Officers from the IIT-SINE visited SEEPZ and also discussed the proposal. They said that as the IIT would be investing money in doing the interior work, the recovery of the cost incurred may not be possible in a span of two years and therefore felt that the allotment of built-up space may be considered for 5 years' duration. As the entrepreneur working on the new technology may not be in a position to commit positive NFE which a LOP involves, the arrangement worked out is to release a small area of 1500 sq.ft. of built-up space on lease or leave and licence basis to the SINE-IIT, Mumbai for a period of 5 years. The SINE-IIT would provide premises in this to entrepreneurs for R&D facility, it was indicated during discussion that an entrepreneur normally needs 400 to 500 sq.ft. built-up area initially. The entrepreneur would be using only duty paid materials so that the issue of availment of exemption does not arise. Apart from lease rent, the other outgoings viz. service charges, property tax, etc. as applicable will be paid by the SINE-IIT, Mumbai. There would be a memorandum of understanding drawn between the SINE-IIT, Mumbai in this regard. The visiting team of SINE-IIT-B saw both existing space and newly constructed space line the BFC. In an old construction, their investment in interiors will be substantial and this is not a business proposition for SINE. Their requirement of space is also small and 1500 – 2000 sq.ft.; which is available in the BFC 3<sup>rd</sup> floor. Considering IIT-B's status as a teaching and R&D institution and the fact that the BFC does not have any worthwhile proposal for its utilization, it was decided that location of the incubation centre at BFC can be considered, if the Board of IIT-B approves it.

**Decision:** The Authority approved the proposal.

#### **V. Wellness Centre**

The Authority noted that considering the large number of employees working in the Zone Complex, the present facility of a first aid box and visiting doctors, are grossly inadequate. There is need for a Wellness Centre in the form of a common facility to be set up by SEEPZ-SEZ Authority.



The Chairperson stated that the Zone Administration has written to the ESIS Authorities as to whether they would be in a position to construct a building for locating the Wellness Centre. Alternatively, the MIDC was also asked to prepare estimate for construction of the building. The MIDC has submitted an estimate of Rs.82.26 Lakhs for construction of a building with 440 sq.mtrs. of built-up area for locating the dispensary, crèche facility and fair price shop. She also shared her experience of visit to the Infosys SEZ facility where a small but well run dispensary and clinic has been provided by the Developer. The Chairperson also referred to her discussion with the DGESIC where it was agreed that a doctor engaged in the dispensary will be declared a ESIC Medical Officer so that the workers can get ESIC referral facility.

Mr. Amar Kothari stated that the big units in the Zone can be asked as to whether they are interested in funding the construction of the building since many of such units may be providing funds for welfare oriented matters. He further stated that normally the units would not be interested in maintaining the facility as they do not have the time and expertise for the same.

**Decision: The Authority decided that the wellness centre can be started at an existing location of about 1500 -2000 sq.ft. so that the project can be tried out before a fresh construction is undertaken. Also the dispensary should not become a catchment pool for hospitals/clinics around SEEPZ, as its objective to provide basic check up and emergency services. The Authority directed that communication may be sent to top units in each sector and to the SG&JMA/SEEMA as to whether they would be interested in running a clinical and dispensary facility on a no loss no profit basis in SEEPZ-SEZ.**

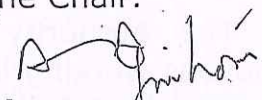
#### **VI. Space norms**

The Authority noted that space norms were initially prescribed in 1996 thereafter revised in 2007 and is proposed to be revised now. It was also noted that as the space norms are neither part of the Foreign Trade Policy /SEZ Act nor the Sub-lease/Tenancy Agreement, these have remained as a guideline so far. It was also noted that the Ministry has directed that space norms should be prescribed for SEEPZ units.

Mr. Amar Kothari stated that due to change in the business pattern globally, these days, demand for silver jewellery/steel/copper jewellery, etc. are more as compared to jewellery made out of gold /platinum. Therefore, though the business volume has increased, in terms of cost, the receipts become less as compared to transactions in the gold jewellery.

**Decision: The Authority directed that the background of the space norm requirement and the space norms suggested by the Zone Administration may be communicated to the Associations so that they can give their views in the matter.**

The Meeting ended with vote of thanks to the Chair.

  
**Chairperson-cum-  
Development Commissioner  
SEEPZ-SEZ Authority.**