

7001

MINUTES OF THE 10th MEETING OF THE SEEPZ -SEZ AUTHORITY HELD ON 27.04.2011.

Present:

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| 1. Development Commissioner, SEEPZ-SEZ | : | Chairperson |
| 2. Joint Development Commissioner, SEEPZ-SEZ. | : | Member |
| 3. Shri. C.J. Mathew, Asstt. Director General Foreign Trade DGFT | : | Member |
| 4. Shri Amar Kothari, Managing Director, M/s. Intergold India Ltd. | : | Member |
| 5. Shri P.S. Raman, Dy. Development Commissioner | : | Secretary |
| 6. Mrs. M.J. Kulkarni, Asstt. Development Commissioner. | : | Manager (Estate) |

The Authority noted the Action taken report in respect of the decisions taken in the previous meeting. The following Agenda items were discussed:-

Agenda Item No. 01: Budget Estimate of the Authority for 2011-12:

The Authority was informed that the Ministry of Commerce and Industry, Govt. Of India have reduce the allocation of fund under the head 'Minor Works' to Rs. 50/- Lakhs in the current years budget estimate. Similarly allocation under the head 'Rent, Rates and Taxes' has also been reduced to Rs. 30/- Lakhs from Rs. 1/- Cr. This would mean that the balance requirement of fund would have to be met from the Authority Fund.

It was noted that the details furnished under the statement 'Operating Income' need to be elaborated indicating the basis of estimation. As regards the statement Operating Expenditure, the items of capital works and minor repairs need to be separately listed stating

- (i) Works approved for incurring expenditure from the Authority fund last year in respect of which payment is to be made during the current year and
- (ii) Projects proposed to be taken up for approval of the Authority in the current year.

As regards serial no. 4 of the statement 'programme of Capital Works i.e. construction of tower approved under ASIDE Scheme only the contribution to be met from the Authority Fund need to be mentioned.

Decision: It was directed that the revised details prepared by the Chartered Accountant may be submitted to the Authority in the next meeting. It was observed that the expenditure required to be incurred on regular activities can be continued.

Agenda Item No. 02: Occupational Health Centre & Creche

The Authority noted that the space on the ground floor of BFC building, in respect of which in principal approval was given for allotment of premises to IRCTC, is now required for locating occupational health centre and crèche facility which are requirements of statutory nature under the Factories Act, 1947. It was further noted that an area of 1500 sq. ft would be required for the occupational health centre and 770 sq. ft for crèche facility.

Decision: The Authority approved the proposal. It was directed that as and when the new building for accommodating the occupational health centre, crèche facility and fair price shop gets ready, the health centre and crèche can be shifted to the new premises.

Agenda Item No. 03: Revision of Lease Rent

It was noted that as per the calculation taking into account the expenditure incurred on Capital Works and Minor Works for the preceding 3 years, the increase in rent works out to Rs.1200/sq.mtr./annum, which workout to more than 100% increase in most of the cases and more than 200% in some cases as compared to the lease rent presently charged. It was further noted that as per the Ministry's instructions, the increase to be affected in three years period should at least be 25%.

It was observed that affecting an increase of Rs. 1200/- per sq. mtr. per annum would result in undue hardship for the Industry.

Decision: Considering all aspects, the Authority approved 40% increase in existing lease rent for built up space, plots, banks, table space provided in CHA's, basement and galas in the shopping centre in the staff quarters. regards the token rent of Rs. 1/- charged to utilities, it was noted that same is based on the reference made to the Ministry vide Administration's letter dated 27.11.2000. The reference and its on will be separately reviewed. As regards, lease rent for basement, it be uniform after rationalization.

Agenda Item No. 04: Setting up of Bio-Methanization Plant

The Authority observed that the proposal for setting up the Methanization plant is in the PPP mode with the Ashoka Biogreen, MNRE and SEEPZ-SEZ contribution to the project.

It was noted that the estimated project cost of M/s. Ashoka Biogreen for setting up of Bio-Methanization plant in SEEPZ-SEZ is Rs.90 Lakhs and the subsidy granted by MNRE is Rs. 28.75 Lakhs. In their subsequent letter No. 19-41/2010/BE/BGFP dated 24.03.2011, the MNRE have clarified that *"The project of Rs. 57.50 Lakhs was estimated by the experts for subsidy purposes. For execution of the project balance of funds to be managed by the owner or promoter of the project, in case the project cost was found justifiable, the concern organization may incur the same. Approval of this ministry may not be required, as the maximum support already sanction by MNRE cannot be increase"*. An amount equivalent to the subsidy will be contributed M/s. Ashoka Bio-Green. The issue therefore is to finance the balance amount of Rs. 32.50 Lakhs.

The Authority noted that at present the Zone Administration incurs approximately Rs. 15/- Lakhs per annum for disposal of the wet garbage through the BMC for removal of greens, which will not be required after commissioning of the Methanization Plant. The expenditure of Rs. 32.50 Lakhs would approximately work out to the expenditure, which the Authority would incur for removal of wet garbage for five years. It was noted that the Methanization Plant is in the nature of an essential infrastructure for ensuring in-house disposal of wet garbage generated by canteens and degradable waste such as dry leaves which fall everyday of about one-truck load.

Decision: The Authority held the view that the sum of Rs. 32.50 Lakhs can be met from the Authority fund either by way of contribution towards the project cost or be way of a loan to be repaid on specified terms and conditions. In the case of contribution towards project cost, the method of profit sharing when the plant crosses break-even Level should also be specified. The matter will need a discussion with the private partner.

Agenda Item No. 05: Administrative charges in respect of transfer of premises

This case was deferred. It was directed that views of both the members representing trade in the Authority may be obtained for taking a decision in the matter.

Agenda Item No. 06: Remuneration for Electrical Supervisor

The Authority noted that the existing staff of electrical section in the establishment of Deputy Engineer MIDC at SEEPZ-SEZ is in-adequate considering the vast area of 111 acres of the Zone complex. It was noted that the proposal is for taking the services of Shri. P. D. Kadam, ex-employee of MIDC, SEEPZ sub-division for attending to the day to day problems. The arrangement proposed is to supplement the existing in-adequate staff.

Decision: The Authority approved outsourcing of services of Shri. P. D. Kadam for a monthly lumpsum compensation of Rs. 15000/-. His duties and responsibilities should be specified in writing by way of a contract.

Agenda Item No. 07: Purchase of one jeep for Security Section and replacement of the existing two Motor Bikes.

It was noted that the proposal is for the replacement of two existing old motor bikes and for purchase of one jeep for the use of Estate and Security Section. The purchase relate to authority fund under Section 34 (2) of the SEZ Act.

Decision: The Authority approved purchase of two new motor bikes as per the DGS&D Rate contract price. It was directed that considering the need for the effective patrolling of the Zone complex, the existing two bikes may be repaired and used. As regards, the requirement of jeep, it was directed that tenders may be invited for outsourcing the service of a Jeep (open)/Scorpio vehicle on monthly charges basis

Agenda Item No.08: Appointment of Security Advisor for the Authority

It was noted that the security set up comprises of Zone Administration's Security wing comprising of Security Officer, Asstt. Security Officer Grade-1, Asstt. Security Officer Grade-2, Head Security Guard, Senior Security Guard and Security Guard: outsourced private security guards of ex-servicemen and outsourced security guards.

It was also noted that considering the fact that the Zone is one of the vital installations in Mumbai facing security threat, there is need for proper co-ordination of security related matters within the Zone as well as outside with police Authorities etc.

Decision: The Authority in-principle approved the proposal for outsourcing services of an expert preferably a retired officer from the Indian Army (Infantry Divn) of the level of colonel/Captain.

SUPPLEMENTARY AGENDA

Agenda Item No. 1: Proposal for payment of incentive in the form of fee to the officers/staff attending to Authorities work:

It was noted that the proposal is for payment of incentive in the form of fee for the officers/staff of the Zone Administration who have been attending to the work of the Authority,

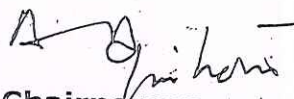
Decision: The Authority observed that the proposal would require further examination as to whether specific enabling Rule is existing for payment of monthly fee. It was also directed that incase such a payment of monthly recurring nature is not permissible, proposal can be considered as a payment for honorarium as per the Rules/Orders/Instructions of the GOI.

Agenda Item No. 2: Running the Gym in the BFC building

It was noted that the request of M/s. DK Hospitality is for granting rent concession for a period of 12 months instead of 6 months.

Decision: The Authority approved the requirement but also directed that the revenue generation of the gym may be reviewed after six months and thereafter a view can be taken whether justification exists for extending the period. It was directed that in order to monitor the membership, the membership card should be issued by the Authority.

The meeting ended with the vote of thanks to the chair.


Chairperson-cum
Development Commissioner
SEEPZ-SEZ Authority