

**MINUTES OF THE 12TH MEETING OF THE SEEPZ-SEZ AUTHORITY
TAKEN BY DEVELOPMENT COMMISSIONER, SEEPZ-SEZ HELD ON
30.08.2011.**

PRESENT:

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| 1. SMT. ANITA AGNIHOTRI, DC, SEEPZ-SEZ : | CHAIRPERSON |
| 2. MS. RESHMA LAKHANI, JDC, SEEPZ-SEZ : | MEMBER |
| 3. SHRI REJEEV SHETH, MANAGING
DIRECTOR, TARA ULTIMO : | MEMBER |
| 4. SHRI AMAR KOTHARI, MANAGING
DIRECTOR, INTER GOLD (I) PVT. LTD. : | MEMBER |
| 5. SHRI P.S. RAMAN, DDC, SEEPZ-SEZ : | SECRETARY |
| 6. SMT. M.J. KULKARNI, ADC, SEEPZ-SEZ : | MANAGER (ESTATE) |

Item No. 1: Budget estimate of the Authority for 2011-2012:

It was noted that the Budget of the Authority for the financial year 2011-12 envisages projected receipts of ₹ 35.15 Crores, expenditure on capital works of ₹ 6.73 Crores and expenditure on M&R work of Rs.21.44 Crores. It was also noted that the allocation of fund under the M&R Sub Head has been reduced from ₹ 200.00 lakhs to ₹ 50.00 lakhs during the current year and therefore, the projected expenditure on M&R works mentioned above of ₹ 21.44 Crores also includes M&R works approved during the year 2009-10 in respect of which payment is to be made during current year.

Decision: The Authority approved the Budget Estimate for the year 2001-12 with the observation that details of actual receipts and expenditure for each quarter may also be submitted for the information of Authority in its meetings.

Item No.2: Outsourcing of services of Accounts Clerk.

The Authority noted that services of one Accounts Clerk has been outsourced from M/s. B.N. Kedia & Company, Chartered Accountant, for attending to the work of the Authority at a monthly compensation of ₹ 13,000/- w.e.f. 01.08.2011.

Decision: The Authority ratified the outsourcing arrangement.

Item No. 3: Appointment of Legal Consultant

The Authority noted that the proposal is for taking services of a Legal Counsel, on the basis of advertisement published in the Newspapers inviting applications from Law Ministry approved Panel Counsels. It was also noted that out of the 9 applications received, only 5 appeared for the inter-action held on 26.5.2011. Out of the 5 applicants, only one applicant viz. Shri R. Asokan is on the Panel of the Law Ministry. Shri Asokan has been in the Law Ministry's Panel for the last 20 years and is currently Sr. Govt. Counsel (Group-I) and also Senior Standing Counsel for the CBEC.

It was noted that Shri Asokan has in his letter dated 30.5.2011 stated his charges for providing legal services as follows:-

- (i) The Schedule of fees as per CBEC letter dated 5.12.2007 to be followed.

- (ii) In respect of legal service not covered in the CBEC Circular, Ministry of law Schedule may be followed.
- (iii) For Service not covered in both the Schedule, fee will be fixed by mutual consultation.
- (iv) Out of pocket expenses such as steno/typing charges/Xerox charges, Miscellaneous expenses incurred for which as far as possible supporting vouchers wherever possible to be reimbursed.
- (v) Drafting/vetting of agreements/contracts which are unique in nature and are not listed either in CBEC/MOL Schedule will be charged @ ₹ 5000/- per job.
- (vi) Reply to Legal Notice, fee will be equivalent to the preparation of counter in WP/Suits.
- (vii) For briefing of the case to Law Ministry nominated Counsels, the fees will be paid as if appearing along with Counsel nominated, if any by the MOL and the fees will be claimed as per MOL Schedule.
- (viii) For visit to SEEPZ will be charged at par with compensation entitle for absence from Headquarters (High Court) as per CBEC Schedule i.e. ₹ 3,600/- per visit plus road mileage @ ₹ 16/- per km.

Decision: The Authority approved the proposal for outsourcing services of Legal Counsel from Shri R. Asokan, as per the above mentioned charges.

Item No. 4: Housekeeping Contract

The Authority noted that in response to Tender Notice published in the Newspapers viz. Times of India & Nav Bharat Times, four Tenders were received, out of which only the following two Tenderers were meeting the Tender condition. It was also noted that the amount quoted by them were as mentioned below:-

Sr. No.	Name of the Housekeeping Company	Amount Quoted
1.	Krystal Integrated Services Pvt. Ltd., Mumbai	₹ 1,80,00,000/-
2.	BVG	₹ 1,55,88,000/-

It was pointed out that as compared to the previous years' Contract, the scope of work has increased viz. (i) Cleaning of gutter line and (ii) Cleaning of water tank. The lowest Tender, M/s. BVG were asked to give revise details taking into account additional manpower of 10 persons. M/s. BVG have submitted revised details amounting to ₹ 1,23,81,852/-. The Authority noted that proposal is for approval of the House Keeping Contract for a rounded off amount of ₹ 1,20,00,000/-.

Decision: Considering the requirement of 10 additional manpower, addition in the scope of work of cleaning of gutter lines & cleaning of water tank.

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water tanks and increase in the Minimum Wages, the Authority approved the proposal for awarding the annual House Keeping Contract to M/s. BVG for a sum of ₹ 1,20,00,000/-.

Item No. 5: Revision of Lease Rent

The Office bearers of the Industry Associations viz. SEEMA & SG&JMA submitted that the increase in the rent effected w.e.f. 01.01.2011 is on the higher side and sought review considering the rise in cost of production. They stated that as per the present practice, the increase effected is as a percentage of existing rent which results in increase burden on the recent allottees and negligible increase on the old allottees as their Lease Rent is comparatively very low.

It was pointed out that as per relevant instructions, rent is revised once in three years. The last revision was w.e.f. 01.01.2008 and the present revision is w.e.f. 01.01.2011. The instructions on the subject prescribe that rent is to be increased at least by 25%. Further, the cost of capital expenditure and maintenance expenditure incurred also need to be recovered. The calculation based on this of the revised rent works out to an increase of ₹ 1,200/- per sq.ft. whereas only 40% increase was effected in order to avoid hardship to the industry. It was also pointed out that the enhanced rent works out to much lower than the prevailing lease rent of premises outside the Zone.

The Association office bearers requested for examining their following suggestions:-

1. Instead of increasing the rent as a percentage, an equal increase may be effected on the basis of per sq.ft. area so that the additional burden is equal among all allottees.
2. In case the increase is partly on account of recovery of capital and M&R expenditure relating to preceding three years, whether the increase would be discontinued after full recovery of the expenditure.

Decision: The Authority directed that the suggestions may be examined and detail submitted to the Authority in its next meeting.

Item No.6: Administrative charges in respect of transfer of premises

The Authority noted that presently, Administrative Charge of 5% of the differential asset value as per the Stamp Duty Reckoner of Government of Maharashtra, is charged from the de-bonding unit in respect of allotment of premises in the SDFs and Gem & Jewellery Complex Buildings. In such cases, the unit de-bonding identifies the incoming entrepreneur who can utilize the available infrastructure for setting up of SEZ unit. Accordingly, the incoming entrepreneur applies for grant of LOP in respect of his project and the premises are surrendered to the Zone Administration by the de-bonding unit and thereafter the Zone Administration allots to the new entrepreneur, on the basis of Guidelines for Transfer of premises. It was also pointed out that in the case of premises surrendered by the de-bonding unit or evicted unit allotted, no such Administrative charges levied.

In order to have uniformity of charges, it was submitted that the proposal is for charging Administrative charges @ 5% of the differential asset value as per Stamp Duty Ready Reckoner of Govt. of Maharashtra,

also on the surrendered, premises and evicted premises allotted by Zone Administration.

Decision: The Authority approved the proposal.

Item No. 7: Outsourcing of Helpers and 2 Data Entry Operators

The Authority was informed that there is no sanctioned Group-D staff in the Zone Administration and the arrangement has been to outsource the services through the MIDC. At present, there are 14 Helpers and two Data Entry Operators outsourced through MIDC in which cases; 12.5% ETP charges are also payable. The existing outsourcing arrangement by MIDC is through different Contractors and the wages paid for similar nature of work are different. There were also complaints of non-compliance of Minimum Wages Act.

The Authority noted that the proposal is for outsourcing the services of the existing 14 Helpers and two Data Entry Operators through M/s. Prompt Personnel Consultancy Services Ltd., which is the approved agency for outsourcing on the basis of minimum agency charges quoted in response to Tender Notice issued by the Zone Administration. It was noted that the annual expenditure for outsourcing the services of 14 Helpers and two Data Entry Operators through M/s. Prompt Personnel Consultancy Services Ltd. works out to ₹ 15,73,824/-. The increase in expenditure would be depending upon the increase in DA granted by State Govt. from time to time as per the Minimum Wages Act.

Decision: The Authority approved the proposal

Item No.8: Proposal for payment of incentive in the form of fee to the Officers/staff attending to Authority's work.

Decision: The Authority after detailed deliberations decided not to consider the proposal.

Item No. 9: Present Status of various projects approved by the Authority

The Authority noted the present status of Creche Facility, Occupational Health Centre, Gymnasium, Guest House and Bio-Methanization Plant. It was also noted that the Security Wing has been provided with two YAMAHA Bikes for patrolling duty.

Supplementary Agenda Item No.10: A transparent policy for allotment of space in SEEPZ-SEZ – New & Surrender and other related issues.

The Authority was informed that since the impact of recession on SEEPZ-SEZ has reduced and there are a large number of units waiting for allotment of space inside SEEPZ-SEZ while there are 42 units which are closed and non-functional, it is necessary to bring out a comprehensive guideline for SEEPZ-SEZ Authority laying down

- (i) Principles of allotment of land/premises,
- (ii) Conditions for surrender of premises either at the option of the unit holder or after a review by the SEEPZ Authority when the unit is not meeting the conditions of LOP.

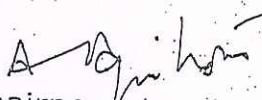
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- (iii) The comprehensive guideline will also cover other issues as indicated in points 1 to 5, of the 2006 Policy, with update of practice.

These guidelines will replace the Transfer Policy as contained in the Minutes of the meeting of the Committee held on 2nd November, 2006, which will in effect be replaced by a Policy of allotment of space upon surrender. If a unit wants to surrender the premises the next allottee will be decided upon by the SEEPZ Authority and the method of compensation of any investment made will be decided by the Development Commissioner, the Chairperson of the Authority, by a process of valuation by an authorized valuer. This will bring transparency in the process of re-allotment of available space and limit the premium which yields to the unit who do not own the property.

The guidelines will first address the need for fresh allotment and allotment on surrender of the short-term leased space of SDFs and Gem & Jewellery buildings. A Committee will be formed for bringing out the first set of draft guidelines as has been brought out by Cochin SEZ. Space like SEEPZ++, multi-storeyed building, SDF-VII and Plots can be covered in the second round as these are obtained on long-term lease from MIDC and upfront lease payments are made from units.

Decision: The Authority approved the proposal for forming a Committee under the Chairmanship of JDC with Members as nominated by the DC to consider the proposal and submit recommendations within a month.

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


Chairperson-cum-
Development Commissioner,