

SEEPZ SPECIAL ECONOMIC ZONE AUTHORITY

ANDHERI (E), MUMBAI – 400 096.

**AGENDA FOR THE 8TH MEETING OF THE
SEEPZ SPECIAL ECONOMIC ZONE AUTHORITY**

**VENUE :- CONFERENCE HALL OF SEEPZ SERVICE CENTRE,
2ND FLOOR, ANDHERI (E), MUMBAI – 400 096.**

ON 28TH OCTOBER, 2010 AT 03.30. P.M.

**Present status of Action taken in respect of decision taken in the 7th
Meeting of SEEPZ-SEZ Authority held on 21.07.2010.**

Agenda item	Action taken
Item No.1: Budget and work plan of the Authority for the year 2010-11.	A total sum of Rs. 40.10 crores has been invested as fixed deposit.
Item No.2: Creation of posts for Authority	Proposal submitted to Ministry for creation of posts as approved by the Authority
Item No.3: Wellness Centre, Creche and wholesale price shop for employees	The Authority initially approved a sum of Rs. 48.15 lacs for setting up the facility. Based on discussion with the ESIC authorities, MIDC has given a revised proposal for an estimated cost of Rs. 82.26 lacs. In the meanwhile the Zone Administration wrote to the ESIC authorities as to whether they can take up the construction of the facility. The ESIC have vide their letter dt. 18.10.10 sought certain additional information.
Item No.4: Renovation of SEEPZ Qrts.	Approval Letter issued to MIDC
Item No.5: Development of parking space	Approval Letter issued to MIDC
Item No.6: Renovation of SDF-V	Based on the complaints received from the unitholders, and issues raised in the Open House held on 11.10.10, it was decided to get the revised estimate for comprehensive repairs to the bldg. MIDC has since submitted the revised estimate for a sum of Rs. 195.96 lacs
Item No.7: Speed breakers in the internal road with the Zone Complex	The Authority held the view that the number of location should be reviewed and reduced and hence this office vide note dt. 11.08.10 had requested MIDC to include a representative of the Industry Association in the team for carryout of the review of the speed breakers.
Item No.8: Proposal for revision of penalty charges for delay in execution of lease agreement	A circular dt. 05.08.10 was issued to all the units requesting them to execute the tenancy/sub-lease agreement, failing which penalty @ Rs. 100/- per sq. mtr. p.a. would be charged w.e.f. 16.08.10. And based on the request from all the units w.r.t. relaxation in levying of penalty a letter dt. 14.09.10 was issued to SG&JMA conveying that the penalty would be charged w.e.f. 01.10.10.
Item No.9: Transfer of Hotel Heavens by ICH	ICH was granted permission for transfer of premises and accordingly allotment was issued to Sun City.

Item no. 10 : Re-development plan for SEPEZ SEZ	The estimate was approved under ASIDE Scheme with the direction that part funding would be from the Authority.
Item no. 11 : Refinery for SEEPZ	Letter dt. 20.08.10 was issued to M/s .Hoover & Strong requesting them to submit certification from an Internationally reputed agency to the effect that the technology offered is latest and suitable.
Item no. 12 : Utilization of BFC	<p>Letters have been issued to all the banks in SEEPZ SEZ to intimate as to whether they are interested in taking the space on lease. State Bank of India and State Bank of Patiala have submitted their interest and sought time for finalization.</p> <p>A circular dt. 25.08.10 was issued to all the unitholders intimating about the availability of board room, banquet hall, convention centre @ Rs. 15,000/- per day</p> <p>SEESA has been allotted 60 sq. mtr. in BFC bldg. vide letter dt. 18.08.10</p> <p>Letters have been issued to 4 star Gym operators asking as to whether they would be interested in running the facility</p> <p>M/s. ICH vide their 30.09.10 have submitted their proposal envisaging total cost would amount to Rs. 45,721/- per month including the wages for their employees, cost of cleaning materials, cost of laundry per month and other miscellaneous expenses, flower arrangements etc. for running the Guest House facility. This proposal is under examination.</p>

**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

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 initial phase.

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

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 cliental 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.

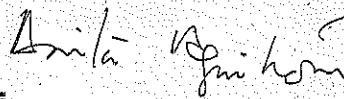
The Authority was informed that M/s. Kaydee Caterers have made a request for allotment of canteen space in the BFC stating that they would be willing to pay double the prevailing lease rent. It was also informed that M/s. Kaydee's were operating Canteen facility in the same location where the BFC building 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.


Chairperson-cum-
Development Commissioner
SEEPZ-SEZ Authority.

8th Meeting of the SEEPZ Authority to be held on 28, October, 2010.

List of Agenda Items :-

1. Balance Sheet of the Authority for the year 2010-11.
 2. Repairs to SDF-I, II & V & G&J Complex-III.
 3. Common Refinery
 4. R & D facility
 5. Wellness Centre
 6. Space norms
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Agenda for the 8th Meeting of the SEEPZ Authority scheduled to be held on
28.10.2010

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

The Authority had appointed M/s. Kedia & Co., Chartered Accountant for maintaining the accounts of the Authority Funds. The balance sheet prepared by them in respect of the year 2009-10 is submitted for approval of the Authority. 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. Thus, the balance sheet shows a surplus of Rs. 24,34,24,886.50.

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

There were number of complaints regarding urgent need for repairs to the above mentioned buildings from the unit-holders, which was also raised in the Open House meeting with SEEPZ units held on 11.10.2010. The MIDC has prepared the following estimates in consultation with the unit-holders and Associations for repair works in these buildings:-

Sr.No.	Building No.	Estimated expenditure
1.	SDF-I	Rs. 65,02,400/-
2.	SDF-II	Rs. 93,02,600/-
3.	SDF-V	Rs. 1,95,96,000/-
4.	G&J Complex No. III	Rs. 2,05,07,100/-
5.	Providing & Installing Automotive Retractable Bollards at all the gates	Rs. 1,35,21,700/-
	Total	Rs. 6,94,29,800/-

Approval of the Authority is sought for incurring the expenditure amounting to Rs. 694.30 lakhs for carrying out repairs to the aforesaid buildings from the Authority Fund.

III. Common Refinery.

M/s. Diamond India Ltd. have vide their letter dated 24.09.10 (copy enclosed as Annexure-I) informed that they are interested in setting up a common refinery facility in SEEPZ-SEZ. They have been requested to give a presentation before the Authority. The proposal for setting up of a common refinery has been under consideration and this

issue was discussed in the past with the SEEPZ Gems & Jewellery Manufacturers' Association. Subsequently, this issue was also discussed in the 2nd meeting of the Authority held on 28.07.09 (extract of relevant minutes enclosed as Annexure-II). M/s. Hoover & Strong, USA, visited SEEPZ and after inter-action with the Association submitted their proposal. This was discussed in the 7th Meeting of the Authority and the decision taken was that the proposal of M/s. Hoover & Strong may be get/their proposal assessed by any Internationally reputed Agency so as to ensure that the technology offered is reasonably latest.

M/s. Hoover & Strong vide letter dt. 20.08.10 were requested to submit their self assessment of the technology offered by them which is still awaited.

IV. R&D facility

The Ministry of Commerce & Industry have been keen that R & D facilities for industries are provided in the SEZs. The SEEPZ Administration had inter-action in this regard with the IITB, Mumbai, and after discussion on the subject and visit to SEEPZ, the IITB has expressed interest to set up R&D facility in SEEPZ-SEZ. As an R&D unit would not be in a position to commit achievement of positive NFE which is the requirement for an LOP holder, the IIT has suggested the following arrangements :-

- 1> An area of 1500 sq.ft. of built-up space may be provided by SEEPZ on rental basis.
- 2> Lease rent and service charges as applicable will be paid by the IITB.
- 3> The place may be leased for a period of two years. Their proposal is to have two or three entrepreneurs carrying out research in the Software field for which each entrepreneur may need about 400 to 500 sq. ft. of built-up space.
- 4> They will be utilizing only duty-paid materials for carrying out R&D activities.

Approval of the Authority is sought for having an Agreement between the Zone Administration and IITB, Mumbai as stated above.

V. Wellness Centre

There are nearly 80,000 employees working in the Zone units and at present adequate facility for primary healthcare is not available. Though, the units have their own visiting doctor and first-aid facility, considering the large number of workforce, it is necessary to have a Wellness Centre with the facility of a Dispensary within the Complex. This issue was discussed in the 7th meeting of the Authority held on 21.07.10

and an expenditure of Rs. 48.15 lacs was approved for incurring from the Authority Fund for construction of a built-up area of 255 sq. mtr. to accommodate Wellness Centre, Creche facility and fair price shop.

The Zone Administration has been interacting with ESIC Authority from time to time. The ESIS authorities have stated that the doctors in the wellness centre can be extended the facility of reference of cases wherever necessary to the ESIS Hospital, which would greatly help the concerned employees for receiving Specialist consultation and further treatment. As regards running of the Wellness Centre, it is expected to be run on no loss no profit basis so that the actual benefit of the facility reaches the working class whose monthly wages are comparatively low.

VI. Space norms :-

The space norms prescribed in 1996, and the space norms decided in the Approval Committee and the space norms presently calculated based on the preceding three years export figs. based on export figs. in the APR's for the year 2006-07, 2007-08 & 2008-09 are as indicated below :-

I. Space norms in the year 1996 and circulated to all Units :-

Gem & Jewellery

- (a) Units below five years - Rs. 2.50 lakhs per sq. mtrs. p.a.
 (b) Above 5 years - Rs. 3.50 lakhs per sq. mtrs. p.a.

Software Unit.

- (a) Below five years - Rs. 0.75 lakhs per sq. mtrs. p.a.
 (b) Above 5 years - Rs. 1 lakh per sq. mtr. p.a.
 (c) Annual export turnover - Rs 6 lakhs per sq. mtr. p.a.
 per professional

Hardware Unit

- (a) Manufacturing unit Rs. 1.25 lakhs per sq. mtrs per annum
 (b) Units engaged assembly Rs. 6 lakh per sq. mtrs. per annum

II. Space norms of the 5th Approval Committee meeting held on 06.11.2007 :-

Sector	Average export achieved by top 10 units per sq. mtr. p.a.	Average export achieved by top 10 units per sq. mtr. p.a.
Hardware	Rs. 2.75 lakhs	Rs. 0.54 lakhs
Software	Rs. 2.55 lakhs	Rs. 1.30 lakhs
Gems & Jewellery	Rs. 8.80 lakhs	Rs. 3.00 lakhs

The Committee was also informed that for approval of projects as per the SEZ Act, 2005 achievement of positive NFE on cumulative basis is a statutory requirement. The Committee deliberated over the above information and recognized the fact that the export turnover along cannot be indicative for allotting space in SEEPZ SEZ. The mandate of the Zone is to encourage different entrepreneurs, both small and large. Keeping this in view, the Committee was of the opinion that existing exporters from the Zone could be given additional space by following a thumb rule of their projects reflecting an average annual exports of about Rs. 6/- lacs per sq. mtr. (Rs. 8.80 lacs + 3 lacs/2 and rounded off to the nearest fig. in lacs) annually. The new entrants however, could be encouraged to come within the Zone but since the availability of space was today a constraint they should project exports of around Rs. 3/- lakhs per sq. mtr. p.a. It was also felt that in respect of hardware/software sectors also, the same criteria with similar calculations in accordance with the table above could be considered. However the Committee recognized the fact that it would not be totally guided by these exports averages or projections by units and go by case to case basis, especially as it was recognized by the Committee that exports projected by prospective entrepreneurs in the project report are not statutorily enforceable.

III. Space norms to be calculated at present taking into consideration the preceeding three years export performance (2006-07, 2007-08 & 2008-09) based on the APRs :-

Sector	Average export performance achieved by top 10 units per sq. mtr. p.a.	Average export performance achieved by top 11 to 20 units per sq. mtr. p.a.
Hardware	Rs. 3.09 lakhs	Rs. 0.44 lakhs
Software	Rs. 2.18 lakhs	Rs. 1.34 lakhs
Gems & Jewellery	Rs. 9.57 lakhs	Rs. 5.89 lakhs

At present, the space norms have remained as Guidelines since they cannot be legally enforced as these norms are neither part of Foreign Trade Policy / SEZ Act nor Sub-Lease / Tenancy Agreement. It is, therefore, necessary to incorporate the space norms as part of the Lease Agreement so that for non-achievement of the norm, Zone Administration can legally proceed against the concerned units.

Submitted for consideration of the Authority.

DIL

Diamond India
Limited

The Development Commissioner
SEEPZ, SEZ,
Mumbai

Kind attention: Mrs Anita Agnihotri

No DIL/PM/12

Dt 24.09.2010

Respected Madam

Reg : Setting Up of a Refinery and Supply of Precious Metals in SEEPZ

Diamond India Limited (DIL) is a public limited Company formed by 57 leading Gems & Jewellery Traders as its shareholders. At the behest of the Ministry of Commerce, Govt of India, and Gem and Jewellery Export Promotion Council, DIL has been formed as a trade body to provide value to the manufacturers and exporters in gems and jewellery sector. DIL sources rough diamonds from the mines in different countries and import of precious metals. DIL has been given the status of a Nominated Agency by the Director General of Foreign Trade (Notification 88/2008 Dt 26.02.2009 to import precious metals and for supply to the jewellers in the country. DIL has inked an MOU with GJEPIC for this on dt 19.08.2010. DIL, based on its turnover, has been accredited as a Five Star Export House. DIL's annual turnover during last three years has been Rs 103.83 crs (FY 2008), Rs 114.92 crs (FY 2009) and Rs 551.96 crs (FY 2010).

2. Most of the DIL Share holders have units in SEEPZ and there is an urgent necessity for having a central refinery to facilitate the Jewellery Units in SEEPZ. DIL is uniquely poised to set up such a refinery in SEEPZ. The main reasons for setting up a central refinery in SEEPZ by DIL would briefly be as under:

(i) A central refinery set up to international standards and maintaining all norms of safety and environment will cater to the needs of the jewellery units in SEEPZ, specially all small ones. The proposed refinery would relieve the small units from the necessity of setting up their small captive units for refining operations as happen now and will help them focus on their core operations of jewellery manufacturing and exports.

(ii) DIL refinery will also source raw (unrefined Gold and gold dust) from gold mines and supply gold bars to jewellery units in SEEPZ which will make the units in SEEPZ more competitive.

(iii) Customs Dept can make use of the proposed refinery to assay the gold contents of the fines being imported by other refineries in India.

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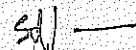
(iv) The proposed refinery can refine gold and silver to make 100 Gram Bars up to 999 purity for supply to small units in SEEPZ. (presently minimum 1 kg bars are available in SEEPZ)

(v) Being a Nominated agency, DIL will also import Precious Metals and supply the same to the Jewellery Units in SEEPZ. DIL can manufacture gold coins in the refinery out of recycled scraps which will save the outgo of foreign exchange on import of gold coins. Thus, it will have a synergy between the refinery operations and gold supply operations.

3. We would, therefore, request you to consider our proposal for setting up a central refinery in SEEPZ and allot us a suitable plot for the same. We shall request for your time for a brief presentation by us. We would request for your in-principle approval of our proposal on receipt of which we would apply for LOA and proceed further.

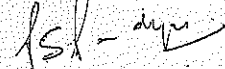
Yours faithfully

For Diamond India Limited

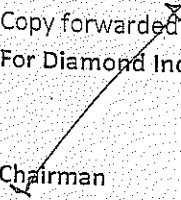

Chairman

✓ Copy forwarded, for kind information, to Joint Commissioner, SEEPZ, SEZ, Mumbai

For Diamond India Limited


Chairman

Copy forwarded to the President, SEEPZ Jewellery Manufacturers Association, SEEPZ, Mumbai
For Diamond India Limited


Chairman

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Minutes of the 2nd Meeting of the SEEPZ-SEZ Authority held on 28th July, 2009 at 4.00 p.m. under the Chairmanship of Development Commissioner, SEEPZ-SEZ and Chairperson, SEEPZ-SEZ Authority.

- Present
1. Ms. Reshma Lakhani, : Member
Jt. Development commissioner,
SEEPZ-SEZ.
 2. Shri Rajiv Seth, : Member
Managing Director
M/s. Tara Ultimo.

- In Attendance:
1. Shri P.S. Raman,
Dy. Development Commissioner
SEEPZ-SEZ.
 2. Smt. M.J. Kukarni,
Asstt. Development Commissioner
SEEPZ-SEZ.

Agenda Item No.1 : Confirmation of the Minutes of the 1st meeting held on 19.05.2009.

The Minutes were confirmed.

The DDC informed the Authority that necessary action as per the decision of the Authority in the approved minutes has been taken as follows:-

(1) Opening of Current Account in Nationalized Bank in the name of Authority.

As decided by the Authority a current Account No.3075552003-0 has been opened with the State Bank of India, SEEPZ Branch, w.e.f. 04.05.2009 in the name of SEEPZ-SEZ Authority Fund.

(2) Garbage Contract

As Tenders received in response to the Tender Notice published in one leading English and Hindi Newspaper, were much less than the reserve price fixed, action for re-advertising the tender is in progress.

The Chairperson observed that we should target to achieve a 'zero' waste level in next two years in the Zone, for which the following long term measures would be necessary:-

- (1) A common Refinery facility for recovery of precious metal from septic tank waste / gutter waste
- (2) Recycling plant for waste materials such as thermocol, plastic, cardboard, etc.
- (3) Treatment plant for wet garbage / canteen waste

The Authority decided that preliminary correspondence relating to the above may be initiated by calling for expressions of interest from organization and the details will be brought before the Authority for taking appropriate decision.

(3) House Keeping Contract

The details were placed before the authority.

The Authority decided that the Tender Notice in respect of House Keeping Contract will be published in the Newspapers shortly.

Agenda Item No.2: Proposal for handing over maintenance of individual buildings to respective unit Associations.

The Authority was informed that at present maintenance of common area of the Zone Complex and maintenance of common area in the buildings are done by SEEPZ Administration through the MIDC. It is felt that handing over the day-to-day maintenance of individual building to respective units (allottees) Associations would be more effective as this would envisage involvement of allottees in the upkeep of common area of the building.

At present unit holders are charged service charges @ Rs.23/- per sq.mt. per annum, which is grossly inadequate to meet expenditure for effective maintenance. The Authority felt that this charge needs to be increased to Rs.56/- per sq.mt. p.a. The Authority decided that in case the unit holders are willing to form an Association of Allottee and undertake the maintenance of the buildings, the same can be considered. The decision will be communicated to all units through Associations.

Agenda Item No.3: Setting up of refinery unit in SEEPZ-SEZ.

Shri Rajiv Seth, Member, observed that a common Refinery facility in SEEPZ would be an added infrastructure for the Zone units for recovery of precious metal particles from septic tank waste / gutter waste. It was decided to initiate correspondence in this regard with leading Refineries in order to have a preliminary assessment.

Agenda Item No.4: Plans for waste/recycling in SEEPZ-SEZ.

The goal of reaching 'zero' waste level in the Zone in the next two years was

As part from proposal for Refinery, it would also be necessary to have a

Agenda Item No.5: Approval of the Disaster Management Plan of SEEPZ-SEZ.

The Authority noted that YASHADA, Pune (A Govt. of Maharashtra Institute) has furnished final estimate of Rs.13.05 lakhs for preparation of DMP revising the cost downward from Rs.18 lakhs. It was also noted that considering the large number of units in the Zone Complex its sensitivity as an export manufacturing hub. DMP is highly essential for SEEPZ-SEZ and accordingly, approved the expenditure of Rs.13.05 lakhs to be incurred from the Authority Fund.

Agenda Item No.6: Annual Garbage Tender for the year 2009-10

It was noted that the Tenders received in response to Tender Notice published in the Newspapers were below the reserve price fixed. The Authority was informed that the Tender Notice is being re-advertised shortly. It was also noted that wet garbage removal is carried out by the BMC which needs to be continued.

Authority approved both proposals.

Agenda Item No.7: Inviting suggestions from units regarding maintenance of the Zone Complex.

The issue of larger expectations from Authority on maintenance that it may be desirable to invite suggestions from units' Associations regarding various works/steps to be taken up by Authority in the area of maintenance and management of the Zone and to have short term and long term plan for improving the maintenance.

Agenda Item No.8: Change of signature relating to operation of Authority's bank account.

It was noted that the Authority Rules have not been notified so far by the Ministry. However, the draft Rules received from the Ministry contains the following provision for signing of cheques:

"(9) All cheques and all pay orders for making deposit or investment or withdrawals of the sums or for the disposal in any manner of the funds of the Authority:

(a) shall be signed by two officers of the Authority, nominated by the Chairperson for this purpose, if the cheques or pay orders are for an amount not exceeding Rupee Five Lakh " And

(b) shall be signed by the Chairperson of the Authority and the Secretary if these exceeds Rupee five lakh.

Provided that in the absence of the Secretary such cheques or pay orders shall be signed by the Chairperson and any other officer of the Authority nominated by the Chairperson.

It was decided that cheques signing authorization may be done as per the above provision and that for 9(a) the cheques will be signed by the JDC and the Secretary.

Agenda Item No.9: Hiring of a vehicle for Security Wing.

The role of SEEPZ Security in maintaining the area of the SEZ was discussed. It was observed except two Motor Cycles, the Security Section had no vehicle for movement within the Zone. The Authority considered it absolutely inadequate, given the fact that SEEPZ has over 111 acres and five gates along the boundary. After 26/11 an immediate temporary arrangement, a vehicle has been hired.

The Authority approved hiring of a vehicle (Commander Jeep or Scorpio or Bolero) for movement of the Security Wing as team.

Agenda Item No.10: Hiring of services of private security guards.

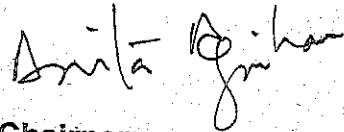
The Authority noted that as per the reports received from Mumbai Police Authorities from time to time, SEEPZ is sensitive from security point of view. It was also noted that Mumbai Police Authorities conducted a Safety Audit of the Zone in the month June, 2007 and suggested that there is need for additional manpower of 87 persons. The Chairperson informed the Authority that the Zone Administration took up the matter with Ministry and as a temporary measures, Ministry has approved hiring of services of 29 Private Security Guards. As per Section 34 of the SEZ Act, Development, Operation and Management of SEZs are the functions of the Authority and thus the Security related functions also come under the Authority.

After detailed deliberations the Authority felt that creating a Security Team of 90 persons to supplement the existing regular Security Staff would make functioning of Security Wing more effective. It was suggested that Private Security Personnel from reputed and registered Private Security Agencies should be taken. It was felt that the expenditure for hiring services of 90 private security personnel should be shared by the units. The personnel shall be working under one unified command of the Authority only. The proposed additional manpower of 90 persons should include supervisory level personnel also and the objective is to create a hierarchy of security personnel with defined responsibilities so that there is proper accountability of assigned work.

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The Authority decided that services of 90 additional security personnel may be hired through reputed and registered private security agencies by publishing the requirement in one English and Hindi Newspapers. The expenditure for 30 persons may be borne by the Authority and the remaining 60 persons to be borne by the units. The basis of contribution per unit could be decided by the Industry Associations.

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



**Chairperson
SEEPZ SEZ Authority.**