

SEEPZ SPECIAL ECONOMIC ZONE AUTHORITY

ANDHERI (E), MUMBAI – 400 096.

**AGENDA FOR THE 14TH MEETING OF THE
SEEPZ SPECIAL ECONOMIC ZONE AUTHORITY**

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

ON 28th MARCH, 2012 AT 11.30. A.M.

Minutes of the 13th meeting of the SEEPZ Authority held on 10.02.2012.

Present: -

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| 1) Dr. Ved Prakash | : | Chairman. |
| 2) Ms. Reshma Lakhani | : | Member. |
| 3) Shri Amar Kothari | : | Member. |
| 4) Shri P.S. Raman | : | Secretary. |
| 5) Shri O.P. Dave | : | Sr. Pay & Accounts Officer. |
| 6) Smt. M.J. Kulkarni | : | Manager (Estate). |

Item No. 1: Annual Report for the year 2009-10 & 2010-11

The Authority approved the Annual Report for the year 2009-10 and 2010-11. It was noted that the provision for Income-Tax payment for the year 2009-10 as well as 2010-11 has been provided in the Balance Sheet for 2010-11 as while finalizing the Balance Sheet for 2009-10, it was assumed that Income-Tax exemption would be available to the Authority fund since the revenue generated by the Authority is Lease Rent and Service Charges which were credited to the Government Account prior to constitution of Authority. It was also noted that so far no exemption notification has been issued by the Department of Revenue in this regard. The Chartered Accountant submitted that in the absence of such a notification, Income-Tax liability arises and it is necessary to pay the Income-Tax "under protest". In case exemption notification is issued with retrospective effect, the Authority would be eligible for receiving refund of payment made.

Decision: - The Authority directed to pay "under protest" Income-Tax dues of 2009-10 as well as 2010-11 before 15th March, 2012. As regards, Annual Reports, the Authority directed to take further necessary action for Hindi translation, getting the accounts audited by the local office of the CAG and thereafter, submit alongwith Audited completion report, requisite nos. of copies of Hindi and English version of the Annual Report to the Ministry of Commerce & Industry.

Item No. 2: - Appointment of Chartered Accountant for maintaining account of Authority for the year 2011-12.

It was noted M/s. Kedia & Co. who are on the panel of CAG, were appointed as Chartered Accountant for maintaining accounts of the Authority in the initial year i.e. 2009-10 for compensation @ Rs. 12,000/- per month and these arrangement were continued.

30,000/- per month for the year 2010-11. As their performance has been found satisfactory, it was noted that the proposal is for extending the existing arrangement for the year 2011-12.

Decision: - The Authority approved the proposal for extending the term of M/s. Kedia & Co., Chartered Accountants for a period of 1 year i.e. upto 31st March, 2012.

Item No. 3: M & R Works

i. Estimate for repairs to water tank of SDF-I to IV, VI, G&J I and fixing terrace doors.

The Authority observed that the estimates need to be examined further.

Decision: The Proposal was deferred.

ii. Estimate for repairs to ICH canteen near SDF-II, G&J Complex no. II and providing terrace doors

The Authority observed that the estimates need to be examined further.

Decision: The proposal was deferred.

iii. Estimate for operation and comprehensive maintenance of lifts of SDF & G&J Bldg. -

It was noted that totally there are 16 lifts excluding BFC building and 8 lifts are of M/s. Escon and the remaining 8 lifts are M/s. Marconi Elevator. The MIDC had invited estimate from both the manufacturers but M/s. Escon have not shown any interest. M/s. Marconi have quoted for AMC @ Rs.4,635/- per lift per month.

As regards providing services of liftmen in all the lifts, the Authority held the view that the same can be outsourced by the Authority instead of outsourcing through MIDC.

Decision: ~~Proposal~~ for AMC in respect of 16 lifts by M/s. Marconi @ Rs.4,635/- per lift per month was approved. As regards 2 lifts in the BFC building, it was directed to obtain estimate for AMC from the manufacturer M/s. Kone Elevator.

iv. Estimate for special repairs for G&J Bldg. No. I.

The Authority observed that the estimates need to be examined further.

Decision: - The proposal was deferred

v. **Estimate for modular lift in SEEPZ -**

The Authority noted that the approval granted for the work was for Rs. 51,69,500/-. However, due to the fact that the accepted tendered cost is higher by 29.80% of the estimated tendered cost, additional cost required to be incurred for providing structural glazing as required by the PWD and cost escalation, the total cost has gone up to Rs. 76,19,850/- as per following break-ups: -

Accepted Tender cost	:	Rs.60,58,200/-
Cost for providing structural glazing	:	Rs.5,65,000/-
Probable escalation	:	Rs.4,00,000/-
Total	:	Rs.70,23,200/-
Deduct probable savings for drainage Pipe, which will not be required to be Provided on account of structural Coverage	:	Rs.2,50,000/-
Add 12.50% ETP charges	:	Rs.8,46,650/-
Total	:	Rs.76,19,850/-

Decision: - The Authority approved the revised cost of Rs. 76,19,850/-.

vi. **Estimate for Annual Maintenance of BFC in SEEPZ -**

It was noted that the building was completed in July, 2009 and defect liability period of the contractor ended on 31.07.2011. As the day to day cleaning works need to be attended, as an interim arrangement, the existing contractor was asked to continue cleaning arrangement till the alternate arrangement is made.

The MIDC has submitted estimate of Rs. 37,46,250/- including 5% contingency and 12.5% ETP charges as per the following break-up: -

1) Annual contract for house-keeping and allied services -	:	Rs. 6,40,284/-
2) Annual comprehensive maintenance contract for two lifts	:	Rs. 1,21,808/-
3) Annual maintenance for electrical installations/maintenance of Fire fighting system and DG set maintenance and operations	:	Rs.20,72,126/-
4) Annual maintenance contract of Air-conditions	:	Rs. 3,37,200/-

It was noted that for the house-keeping work of BFC building premises M/s. BVG India Ltd., who have been assigned the house-keeping work of the Zone Complex and common areas of SDFs and Gems & Jewellery Complex buildings has quoted Rs. 4,90,305/- as against the estimate of Rs. 6,40,284/- of MIDC. The Authority observed that 5% contingency included in the gross estimate normally pertains to construction activity whereas in the present case the work relates to only maintenance.

Decision: - After detailed discussion on the subject, the Authority directed as follows:-

- (1) To assign the house-keeping work to M/s. BVG India Ltd. at an annual cost of Rs.4,90,305/- w.e.f. 01.04.2012.
- (2) To obtain from MIDC, the charges for house-keeping incurred by the Contractor w.e.f. 01.07.2011 and to process the same in the file for approval.
- (3) To obtain estimate for maintenance of the two lifts from the manufacturer M/s. Kone Elevators.
- (4) AMC for electrical installations to be subsumed in the AMC for high-mast street light and accordingly revised estimate to be submitted by the MIDC, which is to be processed in the file for approval.
- (5) Estimate of Rs.3,37,200/- for AMC for air-conditioners was approved.

Item No. 4: Operation and maintenance of Sewage treatment Plant.

The Authority observed that the estimates need to be examined further.

Decision: - It was directed that the estimate may be examined further by a Committee comprising DDC, PAO and Estate Manager, in consultation with the Executive Engineer/Dy. Engineer, MIDC and to submit views.

Item No. 5: Repair to Staff Quarter building A/3.

The Authority observed that the estimates need to be examined further.

Decision: - The proposal was deferred.

Item No.6: Repairs and restoration of structural members and painting of SEEPZ Service Centre Building.

The Authority observed that the estimates need to be examined further.

Decision: - The proposal was deferred..

Item No. 7: Annual maintenance contract for the High Mast, Street light and electrical maintenance of buildings in the SEEPZ-SEZ premises and residential buildings in SEEPZ Staff quarters.

It was noted that the existing AMC for the High Mast Street Light will expire on 03.03.2012. The MIDC has submitted estimate for AMC for a further period of one year i.e. 2012-13 for Rs. 30,35,671/- (gross).

Decision: - The Authority directed that AMC for electrical installation [(Agenda Item No.3 (vi))] may be subsumed in the above AMC and accordingly asked the MIDC to submit their revised estimate, which can be processed in the file for approval.

Item No. 8: Review of Lease rent of Basement

The Authority noted that the increase in the lease rent is based on the Instructions of the Ministry. It was also noted that the revise rent w.e.f. 01.01.2011 approximately works one-fourth of the prevailing market rent outside the zone and hence reasonable.

As regards lease rent for basement/storage area, it was noted that the issue raised by the units is that as per revised rates, lease rent for basement/storage is @ Rs. 1,940/- per sq. mtr. per year as against Rs. 2,230/- per sq. mtr. per year for manufacturing area. Their plea is that since only storage is permitted in the basement/stilt area as per the MIDC's D.C. Rules, not more than 50% of the rent applicable to manufacturing area should be charged for the basement/stilt area.

Decision: - The Authority directed that the request may be referred to the Ministry.

Item No.9: Transfer charges

The Chairman observed that the issue of the levy of user charges in the SEZs for various utilities/services was discussed in the meeting recently held in the Ministry and certain directions in this regard are expected in the minutes.

Decision: - The Authority directed that the proposal for increase in any of the user charges may be examined after receipt of the

Minutes of meeting held in MOC&I on 24.01.2012. As regards proposal to increase the Administrative Charges for transfer of premises as well as for fresh allotment, it was directed that this issue may be examined by the Committee headed by JDC.

Item No. 10: Lease rent i.r.o. M/s .D.K. Hospitality

It was noted that the Gym facility commenced w.e.f. 02.07.2011 and the six months period ended on 01.01.2012. It was also noted that at present 281 members are availing the facility.

Decision: - The Authority approved extending the concessional rent for the further period upto 31.03.2012 and in the mean while to assess the economic viability of continuing the facility with lease rent at normal rate. Further, it was decided to charge full lease rent w.e.f. 01.04.2012.

Item No. 11: Running of Yoga Class in BFC Bldg.

It was noted that 3 applications have been received for conducting Yoga Classes in the area 230.83 sq. mtr. earmarked for Yoga Center. However none of the applicants has indicated the lease rent they can offer.

Decision: - It was directed that the normal lease rent and service charge payable may be communicated to the applicants seeking their confirmation with regard to acceptance of the same. The matter to be examined further based on the response received from the applicants.

Item no. 12: Refinery

It was noted that the proposal of M/s. Hoover & Strong for setting up of a Refinery facility has been under examination for quite some time. It was also noted that M/s. Diamond India Ltd. were asked to submit detailed proposal but no response has been receipt. In the mean while, M/s. Asopec Gold Refinery have submitted an application dated 03.11.2011.

It was observed that it needs to be ascertained as to whether the project of M/s. Hoover & Strong would be viable if the units have the option to avail there refining facility or otherwise. This issue needs to be discussed in their presence so that any related information can also be discussed.

Decision: - The Authority directed that the matter may be discussed in the next meeting and the applicants may also be invited to remain

present. In the mean while it was directed that the proposal of M/s. Asopec Gold Refinery may be got technically examined.


Item No. 13: Outsourcing of services of Hindi Consultant:

It was noted that thought detailed reference has been made to the Ministry regarding the appointment of Hindi Consultant, approval has not been conveyed so far. It was also noted that the other alternative is for outsourcing the translation work by discontinuing the full time consultant.

The Chairman observed that in the recent meeting taken by the Hon'ble Minister of State for Commerce & Industry, the need for filling up the vacant post and for achieving the targets set as per the official language norms, were stressed. SEEPZ being a Notified Office, it is all the more necessary to achieve the target. It was noted that the Zone Administration has sought clarification from the Ministry as to whether DC as Head of Department is competent to approved appointment of consultants. While informally discussing this issue with the Under Secretary, Internal Finance of Ministry the view expressed was that the DC is competent to approved appointment of consultants. He further said that the matter would be examined in the detailed and reply will be furnished shortly.

Decision: - The Authority approved extending the present arrangement of full time consultant for the period upto 31.03.2012. Pending receipt of the reply from the Ministry on the reference made by this office.

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



Chairperson-cum-
Development Commissioner
SEEPZ-SEZ.

**Present status of Action taken in respect of decision taken in the 13th
Meeting of SEEPZ-SEZ Authority held on 10.02.2012.**

Agenda item	Action taken
Item No.1: Annual Report for the year 2009-10 & 2010-11	We have requested the Director General, (Central) Bandra of the CAG Organisation to Audit the Annual report and Balance Sheet of the Authority for 2009-10 & 2010-11. It is understood from the Dy. Director that they have taken up the matter with their Central Office, New Delhi and soon on receiving their approval their Auditors will be deputed for carrying out the audit. After the audit is completed, 35 copies of Hindi & English Version of the Report alongwith the Audit Completion certificate will be submitted to the Ministry.
Item No.2: Appointment of CA for maintaining accounts for the year 2011-12	The proposal is re-submitted in the Authority Meeting scheduled to be held on 28.03.2012
Item No.3: M & R Works	The approval letter has been issued to MIDC for modular lift and AMC for lifts for SDF/G&J. The other proposals are re-submitted in the next Authority meeting scheduled to be held on 28.03.2012
Item no. 4 : Operation and maintenance of STP	MIDC has submitted the estimate and the same is submitted for approval
Item no. 5 : Repair to Staff Qrt.	The proposal is re-submitted in the Authority Meeting scheduled to be held on 28.03.2012
Item no. 6 : Repair and restoration of structure members and painting of SEEPZ Service Centre Bldg.	The proposal is re-submitted in the Authority Meeting scheduled to be held on 28.03.2012
Item no. 7 : AMC for High Mast, Street light and electrical maintenance	The proposal is re-submitted in the Authority Meeting scheduled to be held on 28.03.2012
Item no. 8 : Review of Lease rent of basement	The letter is being issued to Ministry
Item no. 9 : Transfer charges	The reply from the Ministry is awaited. However as per the Minutes of the meeting i.r.o. User charges held in the Ministry, transfer charges are to be decided by the Authority. On receipt of the minutes, the matter will be processed for holding meeting of the Committee under the Chairmanship of the Jt. DC.

Item no. 10 : Lease rent i.r.o. M/s. D.K. Hospitality	The revised lease rent will be calculated and issued in the next financial year Rent Bill
Item no. 11 : Running of Yoga Class in BFC Bldg.	Letters have been issued to all the applicants and the response is awaited.
Item no. 12 : Refinery	Hoover & Strong has been intimated to attend the next meeting. The proposal of M/s. Asopex Gold Refinery needs to be sent for technical examination
Item no. 13 : Outsourcing of services of Hindi Consultant	The proposal is re-submitted in the Authority Meeting scheduled to be held on 28.03.2012

14th Meeting of the SEEPZ Authority to be held on 28th March, 2012.

List of Agenda Item :-

1. Budget expenditure
2. Payment of Income Tax
3. Appointment of Chartered Accountant for the year 2012-13
4. Appointment of Hindi Consultant for the year 2011-12
5. Creche facility
6. Employees Clinic facility
7. Bio-Methanation Project
8. Running of Yoga Class in BFC Bldg.
9. M & R Works.
 - i. Estimate for repairs to water tank of SDF-I to IV, VI, G&J I & fixing terrace doors
 - ii. Estimate for repairs to ICH Canteen near SDF-II, G&J Complex-II and providing terrace doors
 - iii. Estimate for special repairs for G&J Bldg. no. I
 - iv. Estimate for AMC of BFC Bldg.
 - v. Estimate for Operation and maintenance of Sewage treatment Plant
 - vi. Estimate for Repair of A-3 Staff Qrts.
 - vii. Estimate for Repairs and restoration of structural members and painting of SEEPZ Service Centre Building
 - viii. Estimate for Annual maintenance contract for the High Mast, Street light and electrical maintenance of buildings in the SEEPZ-SEZ premises and residential buildings in SEEPZ Staff quarters

14th
Agenda for the 13th Authority Meeting

Item No. 1: Review of Physical and Financial Progress of ongoing projects and annual accounts for the next year -

The Physical and Financial Progress of the ongoing works approved under the Authority are as per Annexure - A attached. The Annual Accounts for the next financial year is under finalization and will be submitted in the next meeting of the Authority.

Item No. 2 : Payment of Income Tax - An amount of Rs. 7,52,18,300/- for the financial year 2009-10 and an amount of Rs. 8,79,69,051/- for the financial year 2010-11 has been paid on 22.03.2012. The Advance Tax amounting to Rs. 4,12,00,000/- for the current financial year is being paid.

Item No. 3: Appointment of Chartered Accountant for the year 2011-12 - The proposal of extension of the term of M/s. Kedia & Co., Chartered Accountant for the financial year 2011-12 at the same compensation of Rs. 30,000/- per month was approved in the 13th Authority meeting. M/s. Kedia & Co. has not submitted any communication for continuation. The services rendered by them so far have been satisfactory. In view of this, it is proposed that we may ask them to confirm whether they are willing to continue for the year 2012-13.

Item No. 4: Appointment of Hindi Consultant - The appointment of Hindi Consultant was extended upto 31.03.2012 in the 13th Authority meeting; pending receipt of reply from the Ministry to the reference we have made seeking clarification as to whether the DC as Head of Department can approve appointment of Consultants. The requisite clarification is still awaited. It is understood from the SEZ section that the matter is still under examination and is likely to take some more time. In view of this, it is necessary to extend the existing arrangement for a further period of 6 months. In case the Zone Administration receives clarification from Ministry sooner, the matter can be reviewed accordingly.

Item No. 5: Creche facility - The creche facility has been provided for the well-being/benefit of the women employees working in the units of SEEPZ-SEZ. In terms of the Factories Act, 1948, it is mandatory for the employer to provide creche facility if there are 30 or more women employees in their firm.

The estimated expenditure for running the crèche facility works out to
Rs. 3,54,200/- p.a. plus
electricity/telephone/water bills at actuals. In the 11th meeting of the Authority, it was decided to meet the expenditure from the Authority Fund in order to ensure early commencement of the facility. It was also approved to make

On inspection it is seen that the condition of Staff Qrt. A-3 is bad and the repairs proposed are of urgent nature.

Approval of the Authority sought for the above expenditure.

(vii) Estimate for Repairs and restoration of structural members and painting of SEEPZ Service Centre Building.

The proposal of Repairs and restoration of structural members and painting of SEEPZ Service Centre Building amounting to Rs. 35,10,850/- (G) was taken in the 13th Authority meeting held on 10.02.12 wherein the Authority deferred the estimate as the same needs to be examined.

On inspection it is noticed that the most of the structural members have developed crack and needs repairs.

Approval of the Authority sought in respect of the above expenditure.

(viii) Estimate for Annual maintenance contract for the High Mast, Street light and electrical maintenance of buildings in the SEEPZ-SEZ premises and residential buildings in SEEPZ Staff quarters.

The proposal of AMC for the High Mast & Street Light for a further period of one year amounting to Rs. 30,35,671 /- (G) was taken in the 13th Authority meeting held on 10.02.12 wherein the Authority directed to subsume the AMC of High mast to the AMC for electrical installation.

Accordingly MIDC vide communication dt. 24.02.12 has submitted revised estimate for AMC for High Mast, Street Light & Electrical maintenance amounting to Rs. 38,50,575/-.

Approval of the Authority sought in respect of the above expenditure.
