

Minutes of the 1st meeting of Empowered Committee (EC) on ASIDE Scheme for FY 2016-17 under the Chairpersonship of Commerce Secretary held on 04.05.2016 (Wednesday) at 3.00 pm in Room No. 141, Udyog Bhawan, New Delhi.

List of participants is annexed

2. The proposals for ASIDE funding were considered by the Empowered Committee (EC) based on the inputs provided by the representatives of the concerned agencies and available status/information of the project. All agencies concerned with ongoing projects were requested to provide latest photographs of the project. The following decisions were taken by the EC:-

No	Agency name	Project details	Decision
2.1 Ongoing projects seeking EC approval for 2nd instalment.			
1	Kandla SEZ	Name: Dismantling and reconstruction of 16 CIB sheds Project Cost : 19.22 cr (revised to Rs. 14.08 cr.) Approved ASIDE share: 9.11 cr. (revised ASIDE share Rs.7.04 cr.) Already released: Rs. 3.05 cr. Revised final demand for 2 nd installment : 3.99 cr	JDC, KSEZ informed that project has been completed with the revised cost of Rs. 14.08 cr. and therefore ASIDE share for the project required is only Rs. 7.04 cr. which is 50% of the revised cost. EC observed that Rs. 3.05 cr. was already provided as ASIDE share earlier and that the report of the Project Monitoring Committee (PMC) comprising one representative from Department of Commerce has not been received. Based on the available information and inputs received from JDC, KSEZ, EC decided that Rs. 3.99 cr. is to be released as final instalment subject to submission of PMC report.
2.	SEEPZ-SEZ	Name: Providing Electronic Security System Access Control System with integration, CCTV Cameras with web-based visitor management system. Project cost: 3.14 cr. Approved ASIDE share: 2.50 cr. ASIDE funds released: 1.25 cr Liability: 1.25 cr.	DC, SEEPZ- SEZ informed that the installation work related to the Access Control System is complete but is not fully functional due to software integrating the various components not being installed. He informed that the report of Accenture, the Project monitoring Agency(PMA) appointed by SEEPZ-SEZ, indicating the above progress had already been forwarded to the Department. DC informed that project will be completed in the next 2 months. EC observed that the report of the Project Monitoring Committee (PMC) comprising one representative from Department of Commerce has not been received. The chair observed that despite the visit of Under Secretary, DoC, the PMC meeting was not convened. Based on the above facts, EC decided that SEEPZ will first furnish the PMC report after which final instalment may be considered. The Chair observed that this case should not come

			again to EC but final instalment may be released after approval on file on submission of the report.
3.	SEEPZ-SEZ	<p>Name: Electronic Surveillance System ... CCTV Camera along the periphery of SEEPZ</p> <p>Project cost: 2.64 cr. Approved ASIDE share: 2.10 cr. ASIDE funds released: 1.05 cr. Liability : 1.05 c.r</p>	<p>DC, SEEPZ- SEZ informed that the work related to installation of cameras has been completed. There has been an increase in cost of project from Rs. 2.64 cr. to Rs. 5.32 cr. due to installation of additional cameras based on the Disaster Management Action Plan prepared for SEEPZ. The system is operational and under stabilization, after which it will be handed over to SEEPZ. He informed that the report of Accenture, the Project monitoring Agency(PMA) appointed by SEEPZ-SEZ, indicating the above progress had already been forwarded to the Department.</p> <p>EC observed that the increased cost would have to be borne by SEEPZ-SEZ. Further, it was observed that the report of the Project Monitoring Committee (PMC) comprising one representative from Department of Commerce has not been received. The chair observed that despite the visit of Under Secretary, DoC, the PMC meeting was not convened.</p> <p>Based on the above facts, EC decided that SEEPZ will first furnish the PMC report after which final instalment may be considered. The Chair observed that this case should not come again to EC but final instalment may be released after approval on file on submission of the report.</p>
4.	SEEPZ-SEZ	<p>Name : Construction of a new Standard Design Factory (SDF) Tower in SEEPZ SEZ near Plot A-1,</p> <p>Project cost: 23.41 cr. Approved ASIDE assistance: 19.89 cr. ASIDE funds released: 9.94 cr. Liability under ASIDE: 9.94 cr</p>	<p>DC, SEEPZ – SEZ informed that there has been an increase in the cost of the project to Rs. 51.45 cr. mainly due to delay in start of construction, change in specifications of the construction and mode of construction by MIDC. As informed by DC, the project is likely to be completed by Sept, 2016. DC further informed that 54% work is completed and procurement of material is in progress. He informed that the report of Accenture, the Project Monitoring Agency (PMA) appointed by SEEPZ-SEZ, indicating the above progress had already been forwarded to the Department.</p> <p>EC observed that on exclusion of architectural services, ETP charges payable to MIDC and development and scrutiny charges, the project cost eligible for consideration under ASIDE is Rs. 40.82 cr, out of the revised cost of Rs. 51.45 cr. Further, it was observed that SEEPZ had not</p>

			<p>submitted clarifications sought by the Department regarding the delay in issue of work order, approval and the sanction of the revised cost estimate. It was also observed that the report of the Project Monitoring Committee (PMC) comprising one representative from Department of Commerce has not been received. The chair observed that despite the visit of Under Secretary, DoC, the PMC meeting was not convened.</p> <p>Based on the above facts, EC decided that additional funding shall be provided only after the SEEPZ ties up its funds for the increased cost from its own resources. EC approved release of final instalment of Rs.9.94 cr. subject to submission of PMC report and an undertaking to meet the balance funding and submission of proof of fund tie ups for additional cost by SEEPZ-SEZ</p>
5.	VTPC, Govt.of Karnataka agency	<p>Export Infrastructure facility to exports of perishable cargo and cold chain at Kempengowda International Airport, Bangalore, VTPC, Govt. of Karnataka.</p> <p>Total cost: Rs.18 cr. Approved ASIDE share: 12 cr. ASIDE fund released: Rs. 4.09cr Liability under ASIDE: Rs. 7.91cr</p>	<p>MD, VTPC informed that 65% work is completed and project shall be completed by July, 2016. MD, VTPC informed that there has been an increase in the project cost to Rs. 40.00 cr. due to creation of additional facilities and that the agency AISATS has already made an investment of Rs. 20.00 cr. including the ASIDE fund released earlier. He further informed that AISATS is committed to providing balance funding towards increased project cost.</p> <p>EC observed that PMC report for the project chaired by Commissioner, Industries and UC for the 1st instalment has been received.</p> <p>Based on the above facts, EC decided that only Rs. 9.00 cr., which is 50% of project cost, will be total ASIDE share for the project. The EC approved for release of final instalment of Rs. 5.00 cr. This shall be subject to furnishing proof of investment of Rs. 20 cr. by AISATS.</p>
6.	HPSIDC	<p>i) Container Parking Facility at Baddi- Barotiwala</p> <p>Total project cost : 14.42 cr. Approved ASIDE share : 11.13 cr Already released : 5.57 cr. Balance : 5.56 cr.</p>	<p>GM, HPSIDC informed that 60% of civil work has been completed and project is likely to be completed by July, 2016. The State Government has confirmed their commitment of 20% share of the capital cost vide letter dated 12.04.16.</p> <p>Based on the above facts, EC approved release of Rs. 3.33 cr. as final instalment.</p>

		<p>ii) Augmentation and Up-gradation of Power System (11 KV & 33 KV) of Industrial Area Kala-Amb, District Sirmour, H.P</p> <p>Total project cost : 12.34 cr. Approved ASIDE share : 12.34 cr Already released : 6.17 cr. Balance : 6.17 cr.</p>	<p>GM, HPSIDC informed that 60% of work was complete and requested to fund the balance ASIDE share. The State Government has confirmed their commitment of 20% share of the capital cost vide letter dated 12.04.16.</p> <p>EC observed that though the funding for the project was approved earlier the project need not be considered for further funding considering the limited availability of funds and that such projects should be taken up by the State Govt. through the increased devolution of funds to the States.</p> <p>Based on the above facts, EC decided that no further funding for the project shall be made and the State Government may requested by the HPSIDC to provide funds for completion of the project from their own resources.</p>
		<p>iii) Ware House Project for exporting units located in Baddi-Barotiwala, Nalagarh</p> <p>Total project cost : 26.89 cr. Approved ASIDE share : 15.00 cr Already released : 7.50 cr. Balance : 7.50 cr.</p>	<p>GM, HPSIDC informed that 30 % of civil work has been completed and project is likely to be completed by Sept, 2016. He further informed that the container parking facility at Baddi-Barotiwala approved at 6 i) above under ASIDE and this project are interlinked hence funding for the project may be provided.</p> <p>EC observed that the State has confirmed their commitment of 20% share of the capital cost vide letter dated 12.04.16 and submitted PMC report. EC observed that the progress of the work was slow. GM, HPSIDC clarified that delay in project was mainly due to shifting of HT lines over the land proposed for setting up the project. EC also took note of the submission by HPSIDC that there is a linkage between container parking facility approved under ASIDE and Warehouse project.</p> <p>Based on the above facts, EC approved release of final instalment of Rs. 4.50 cr. subject to furnishing of implementation schedule covering the physical and financial aspects of the project.</p>
		<p>iv) Composite Testing Lab for Pharma products at Export Cluster, Baddi, HP</p> <p>Total project cost: 8.09 cr. Approved ASIDE share : 6.49 cr Already released: 3.25 cr. Balance : 3.24 cr.</p>	<p>GM, HPSIDC informed that civil work has been completed and project is likely to be completed by July, 2016. The procurement of equipment is likely to be completed in the next 3 months. He also informed that the State Govt. is in consultation with NIPER for operating the Testing lab once the facility is created.</p> <p>EC observed that the PMC report from the State Government has been received but the procedure of operating the facility has not been finalised.</p>

			EC approved release of final instalment of Rs. 1.94 cr. subject to furnishing of details of arrangement proposed for operating the facility.
7.	J&K SIDCO	International Trade Centre (ITC) at Pampore, Total cost: Rs. 40 cr. Approved ASIDE share: 30 cr. ASIDE fund released: Rs. 5cr Liability under ASIDE: Rs. 25 cr.	EC observed that no representative attended the meeting and the progress of work in the project had been very slow. The cost of the project is also escalated to 98.00 Crores. EC opined that the case may not be pursued for ASIDE funding at the present stage considering the slow physical progress of work and limited availability of funds under the scheme.
2.2 New projects			
8	Council for Leather Exports (CLE)	Creation of additional capacity of ZLD system in Vistech CETP Total project cost: Rs. 18.64 cr. ASIDE share approved: 9.32 cr. (50%)	Regional Director, CLE informed that the project has been appraised and approved by Canara Bank for Term Loan of Rs. 8.32 cr. for the project. CLE has already received contribution of Rs.1 cr. from beneficiaries. It was requested that the 1 st instalment for the project be released. EC observed that that the balance funds for the project are now available and that such projects having significant impact on exports and environment have also been earlier approved in favour of CLE. Based on the these facts, EC decided that presently Rs. 2.30 cr. may be released for the project and further ASIDE funding will be considered on submission of UC, PMC report and proof of Utilization of Term Loan by CLE.
9	Kandla SEZ	Construction of SDF-VIII Building Total cost: Rs.10.68 cr. ASIDE share requested: 6.45 cr.	JDC, KSEZ requested for funding of the SDF building considering the requirement. EC observed that one project of KSEZ namely 'dismantling and construction CIB' has already been approved at 2.1(1) above and that the financial health of KSEZ is good. EC decided that in view of the limited funds under ASIDE and projects approved for KSEZ earlier, KSEZ may consider funding the project from their own resources based on business considerations.
10	TIDCL (State Agency of Tripura)	Upgradation of Manughat LCS Total Project cost is Rs. 12.62 cr. ASDIE share: 10.09	Director (I&C), Tripura and GM, TIDCL informed that there is limited infrastructure available at the LCS for Immigration and customs offices. The LCS is proposed to be developed on the lines of LCS at Srimantpur. There is an export-import of Rs. 11 cr. though the LCS, with imports being

			<p>the major share of trade currently. It was informed that the establishment of LCS is likely to promote exports from the region.</p> <p>EC observed that it is exclusively an export oriented project and has also been duly forwarded by the Government of Tripura. EC observed that land is partly to be made available (1.71 acre) after shifting of the border fencing. It was clarified by MD TIDCL that land is available for construction of the facilities and dialogue has been initiated with Bangladesh for moving the border fence to the Zero line.</p> <p>Based on the above facts, EC approved funding of the project for Rs.10.09 cr in three equal instalments and release of Rs. 3.30 cr as 1st instalment. It was also decided that the 3rd party monitoring of the project will be done. Funding for the 3rd party monitoring may be explored under MAI scheme.</p>
11	MANIDCO (Manipur Govt.)	<p>Export-Import Cargo Terminal at Imphal International Airport.</p> <p>Project cost :Rs. 15,97,04,300/-</p> <p>ASIDE funds demanded: 80% of cost.Rs. 12.77 cr.</p>	<p>Director (Commerce), Manipur and MD, MANIDCO informed that the expected export of items from the terminal would be to the tune of Rs. 17 cr. He informed that the terminal would be the focal point for export of food and agri products. They informed that land is being provided by AAI and after construction, the terminal is to be handed back to AAI for operation purposes. NOC has been accorded by the AAI for the project. It was informed that the MoU/agreement between the AAI and MANIDCO for operating the terminal was still under consideration.</p> <p>EC observed that the project has been vetted by EPIL. It was further observed that there was no formal agreement for operating the facility after its construction between AAI and State Govt./MANIDCO.</p> <p>EC decided that MANIDCO may provide clarity on the following issues before consideration for approval of the project:</p> <ul style="list-style-type: none"> (i) Details of expected export items from the terminal (ii) Status of MOU/agreement for operation of the project between AAI and State Govt./MANIDCO <p>EC opined that Govt. of Manipur may consider finalise operation of the project through an agency like AISATS as for 'Perishable Cargo facility' project by Karnataka Govt at Bangalore Airport.</p>

12	KINFRA & ITPO	<p>International Exhibition cum Convention Centre (IECC) at Kochi</p> <p>Total cost: 134 cr. ASIDE share demanded: 30 cr. as part of ITPO contribution.</p>	<p>ED, ITPO and MD, KINFRA informed that Govt. of Kerala would be providing the land for the IECC free of cost. KINFRA would be providing Rs. 30 cr. for the project. As informed by MD, KINFRA, the project is being appraised by banks for approval of Term Loan worth Rs. 74 cr. It was informed that the project is at conceptualisation stage and funding of ITPO contribution for the project was being explored. ED, ITPO informed that due to commitment of funds for renovation projects of Pragati Maidan, there is shortage of fund with ITPO.</p> <p>EC observed that the project proposal was in its initial stage and details of partnership and responsibilities were yet to be finalised. Regarding contribution of ITPO for the project, ITPO was requested to consider at least 50% funding of its share through internal resources. The business model of the project may be finalised by the partners and the responsibilities of the partners defined before the project is posed for funding under ASIDE.</p>
13	Mangalore SEZ	<p>Development of Hazardous Waste Management Facility</p> <p>Total cost :Rs. 19.16 cr ASIDE share demanded: 9.08 cr</p>	<p>MD, VTPC informed that the project was critical as there is no existing hazardous waste management facility.</p> <p>EC observed that Mangalore SEZ is a joint venture of ONGC, KIADB and IL&FS with less than 51% equity holding by the Government agencies. In view of the fact, that ONGC is promoter of the SEZ and it being a profitable organisation, it was decided that the project may be considered for funding by ONGC.</p>
14	Mangalore SEZ	<p>Expansion of 5 MGD to 10 MGD Tertiary Water Treatment Plant</p> <p>Total cost :Rs. 22 cr ASIDE share demanded: 11.00 cr</p>	<p>EC observed that Mangalore SEZ is a joint venture of ONGC, KIADB and IL&FS with less than 51% equity holding by the Government agencies. In view of the fact, that ONGC is promoter of the SEZ and it being a profitable organisation, it was decided that the project may be considered for funding by ONGC.</p>
15	Cochin SEZ	<p>Construction of SDF Building</p> <p>Total cost :Rs. 61.63 cr ASIDE share demanded: 49.63 cr</p>	<p>DC, CSEZ informed that there is huge demand for SDF space in view of the various programmes of Gol like Make in India, Digital India etc. She further informed that the proposal was for construction of SDF Building having an area of 22321 sqm. The DPR of the project has been prepared by KITCO Limited and vetted by an independent Chartered Engineer. Though the time lines in the proposal indicate a period of 36 months, DC assured that the project can be completed in 18-24 months. DC requested that the funds may be made available in phased manner of three instalments for the project. SEZ</p>

			<p>division has no objection to the project.</p> <p>EC observed that the CSEZ should increase their contribution from Rs.12 cr. as indicated in the proposal and explore raising of commercial loan for the project from the banks. It was further observed that the detailed estimates are to be as per ASIDE guidelines.</p> <p>EC decided that ASIDE funding would be limited to Rs. 20 cr. and may be released in 3 equal instalments subject to submission of proof of financial closure and estimates being examined as per ASIDE guidelines.</p>
--	--	--	---

Department of Commerce
States Cell

1st meeting of the Empowered committee on ASIDE Scheme was held on 4.05.2016 at 3.00 P.M. under the Chairpersonship of Commerce Secretary. Draft Minutes of the meeting have been attempted and are placed below for kind consideration and approval pl.

(M.M. Natwar)
Under Secretary

Director(BP)