

Minutes of the 15th Kandla SEZ Authority meeting held on 13/02/2014 at 12.30 hrs. under the Chairmanship of Shri Mahendra Jain, IAS, Chairman, Kandla SEZ Authority.

Following were present:-

1. Shri Krishan Kumar, Jt. Development Commissioner, KASEZ
2. Shri Chetan S. Parekh, Director, M/s. Oswal Extrusion Ltd.
3. Shri R.G. Khairkar, FTDO, Representing Jt.DGFT, Rajkot.
4. Shri Laxmi Kant Meena, Sr.AO (invitee)
5. Shri A.K. Pathak, Dy. General Manager, NBCC (invitee)
6. Shri Devaraj.C, Secretary (i/c)

15.1 Confirmation of the minutes of 14th meeting of Kandla SEZ Authority:

Minutes of the 14th meeting of Kandla SEZ Authority held on 03/09/2013 were confirmed.

15.2 Review/action taken report:

15.2.1 Construction of SDF Unit IV & V at KASEZ:

The Authority took note of the position indicated in Agenda about difficulty being faced in renting out 2nd floor of earlier units of SDF complexes and ratified the decision of construction of Unit IV & V as Double storey building (GF & FF).

The Authority also noted that total value for SDF unit IV & V sanctioned by ASIDE is Rs.30.99 crores for 15000 sq.mtrs. and after tendering the anticipated cost for 2 Nos.SDF Unit IV & V will be Rs.19.01 crores for 12400 sq.mtrs. DGM, NBCC suggested that from the saving amount of Rs.11.98 crores, one additional SDF Unit VI of plinth area of 6200 sq.mtrs. may be constructed within overall sanctioned amount from ASIDE to save the time and price escalation. The Authority was informed that Plot No. 620-621 & 625-626 surrendered by M/s.Everest Kanto is available for construction of additional unit. Then the Authority approved construction of an additional SDF Unit VI.

15.2.2 Purchase of a New Fire Water Tender:

Authority has noted that the Committee constituted for purchase of Fire Tender has submitted its report and suggested purchase of and installation of following items as per the DGS & D Rate Contract/Rate Contract of Government of Maharashtra:-

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| 1 | Model No.TATA Model 1613/42 Wheel Base Truck Chasis with COWL with 697 Engine BS III for delivery Ex Jamshedpur | Rs.12,00,000/- approx.. including 15% VAT |
| 2 | Designing, fabrication, erection, commissioning and testing of Fire Water Tender alongwith Free maintenance for 3 years | Rs.19,60,000/- |
| | Total | Rs.31,60,000/- |

It was also noted that the Rate Contract of Govt. of Maharashtra is under review/renewal. After deliberations, it was decided to purchase the Model No.TATA Model 1613/42 Wheel Base Truck Chasis through DGS & D Rate contract. It was further decided to call for tender for fabrication, erection, commissioning and testing of Fire Water Tender. It was further decided that if the tender is coming below the Maharashtra Rate Contract, we should go for that or if the rate is higher than the Maharashtra Rate Contract then we should get it done through the Rate Contract.

15.2.3 Construction of Food Courts:

The position with regard to the present tea stall as mentioned in the Agenda and as explained by JDC was noted by the Authority including the suggestion made by the Chairman of the Authority for having one outside unit in each court.

Considering this suggestion, the proposal for construction of 5th food court by the same agency with proportionate increase in the cost estimate was approved by the Authority, to save time and price escalation. As per the estimate received, the cost price of units came to Rs.21.69 lakhs. Thus the additional cost of 5th food court will be Rs.21.69 lakhs. With this approval of 5th Food Court, the total estimated cost of five such Food Courts will be Rs.108.44 lakhs.

The Authority also approved the proposed rent of Rs.5000/- per month for each units in each food court. However, the allottees are required to pay the electricity and water charges separately. Regarding outside unit, it was decided to follow auction procedure.

Further, on the suggestion of the Chairman, the Authority also decided that space may be created for ice-cream vendors and tea/coffee vendors, for which no covered space is necessary, as they will be using dispensers for tea/coffee, etc.

15.3.1 Construction of CIB (special type) sheds:

The Authority noted that there are 56 sheds to be dismantled and reconstructed in a phased manner. In the first phase, reconstruction of 12 nos. CIB (Special Type) sheds was taken up. A proposal was sent to the Empowered Committee on ASIDE Scheme for approval of dismantling and reconstruction of 24 Nos. CIB (special type) in the second phase.

The Authority noted that 8 such sheds will be available for dismantling and reconstruction and NBCC Ltd. has submitted an estimated expenditure of Rs.961.11 lakhs for the same. The Authority approved dismantling and reconstruction of 8 CIB sheds. The Authority also directed that a status note may be sent to DoC.

15.3.2 Dismantling and reconstruction of 12 Nos. GHB quarters:-

The Authority ratified the decision for construction of 12 Nos. GHB quarters at an estimated expenditure of Rs. 192.20 lakhs.

15.3.3 Outsourcing of personnel for accounting work:

The proposal for continuing the services of M/s. Mukund &Rohit Chartered Accountant firm for one more year w.e.f. 24/10/2013 on the same rate and terms and conditions was approved by the Authority. However, the JDC was asked to assess the work of DEOs posted.

15.3.4 Lease rent at the time of renewal of lease deed:

The Authority noted that some units have raised issue of enhanced rents. JDC stated that there appear to be some anomalous situation arising when lease rent is enhanced at the time of renewal of lease. To look into various aspects relating to lease rent and make recommendations in this regard, a Committee, as under, has been approved:-

- | | | |
|-----------------------------------|---|------------------|
| (1) JDC | - | Chairman |
| (2) Sr. AO | - | Member |
| (3) DGM, NBCC | - | Member |
| (4) A representative from KASEZIA | - | Member |
| (5) EA | - | Member Secretary |

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The Committee shall submit its report by 10th April, 2014 to DC, KASEZ & Chairman of the Authority.

15.3.5 Approval of estimated budget of the Authority for the year 2014-15:

The Authority discussed about the estimated income and expenditure for the Year 2014-15. It was decided to go for a fixed deposit of Rs.10.00 crores. One FD will be of Rs.5.00 crores and five FDs will be of Rs.1.00 crore each. JDC was asked to negotiate with various Nationalized Banks regarding higher interest rates. Budget of the Kandla SEZ Authority for the year 2014-15 was approved with some corrections and the approved budget is placed at Annexure-1.

15.3.6 Celebration of 50th Foundation Day of Kandla Free Trade Zone, now Kandla Special Economic Zone on 7th March, 2014.

The Authority noted that KASEZ will be celebrating its 50th Foundation Day on 7/3/2014. This Export Processing Zone was inaugurated by late Prime Minister Shri Lal Babadur Shastri in 1965 as a Free Trade Zone. With this foundation day, the Zone shall be beginning not only with its Golden jubilee year celebrations but for the concept of Free Trade Zone in India, as this Zone has the privilege of being the Asia's first Free Trade Zone. On this occasion, many sports events are being organized.

The Chairman felt that budget for publicity may be reduced. However, higher budget may be considered next year. He also opined that due to paucity of time, it may not be possible to follow proper tendering process for documentary proposed and hence right now it may not be taken up.

The Authority approved a budget estimate of Rs.23 lakhs to be paid for various activities as under, from the Kandla SEZ Authority during the year 203-14:-

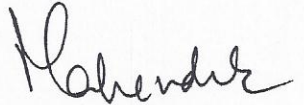
| S.No. | Item | Approx. Expendiutre (in Rs.) |
|-------|----------------------------------|------------------------------|
| 1 | For flower decoration | 1,02,500/- |
| 2 | Hall booking | 1,24,800/- |
| 3 | Statue of Late Shri L.B. Shastri | 9,00,000/- |
| 4 | Musical Nite* | 1,54,300/- |
| 5 | Snacks at different functions | 42,000/- |
| 6 | Cricket dress and chess boards | 23,550/- |

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| 7 | Printing of cards/banners, etc. | 55,175/- |
| 8 | Trophies, mementoes for various sports events and export awards | 63,940/- |
| 9 | Advertisement & Publicity** | 6,00,000/- |
| 10 | Other misc. unforeseen expenditure such as hiring of vehicle | 4,00,000/- |
| 10 | Setting up of Display Room | 3,00,000/- |
| | Total | 27,66,265/- |

*In case of this event being sponsored by certain KASEZ units, this expenditure shall reduce.

**Expenditure of Rs.5.00 lakhs will be met from the funds available under the head "publicity" for KASEZ under Demand of Grant of MoC&I.


(Mahendra Jain)
Chairman
Kandla SEZ Authority

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| ANNEXURE-1 | | |
|---------------------------------------|---|----------------|
| KANDLA SEZ AUTHORITY | | |
| ESTIMATED BUDGET FOR THE YEAR 2014-15 | | |
| Sr.No. | Particulars | Rs.in lakhs |
| A | Estimated funds available with the Authority | |
| 1 | Fixed Deposit with PNB | 500.00 |
| 2 | Approximate amount available in Bank other than FD | 1700.00 |
| B | Estimated income for 2013-2014 | |
| 1 | Lease Rentals/user charges | 2100.00 |
| 2 | Water supply bills | 110.00 |
| 3 | Security passes | 20.00 |
| | Total (A+B) | 4430.00 |
| | Estimated expenditure to be incurred during 2014-15 | |
| 1 | Towards water supply bills | 100.00 |
| 2 | Towards electricity bills | 50.00 |
| 3 | Agency charges to NBCC for water supply/distribution | 10.00 |
| 4 | Advertisement & Publicity | 4.00 |
| 5 | Legal Fees | 2.00 |
| 6 | Hiring of Vehicles | 12.00 |
| 7 | Providing Security service (hiring of security) | 40.00 |
| 8 | Maintenance of Dedicated pipeline | 8.00 |
| 9 | Salary & Wages | 12.00 |
| 10 | Office Expenditures | 6.00 |
| 11 | CA & Accounting Work | 12.00 |
| 12 | Sharing AMC with KPT for trunk line | 16.00 |
| 13 | Maintenance and Minor works | 200.00 |
| 14 | Fund ear-marked for NBCC for payment against approved works | 2104.00 |
| 15 | New Works proposed: | |
| (a) | Bio Gas Plant | 200.00 |
| | Total Anticipated Expenditure (2013-2014) | 2776.00 |