

Minutes of the 16th Kandla SEZ Authority meeting held on 26/06/2014 at 11.00 hrs. under the Chairmanship of Shri Vijay N. Shewale, ITS, 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 Laxmi Kant Meena, Sr. AO (invitee)
4. Shri A.K. Pathak, Dy. General Manager, NBCC (invitee)
5. Shri Devaraj.C, Secretary (i/c)

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

Minutes of the 15th meeting of Kandla SEZ Authority held on 13/02/2014 were confirmed.

16.2 Review/action taken report:

15.2.1 Construction of SDF Unit IV & V at KASEZ:

The position as reported was noted by the Authority.

15.2.2 Purchase of a New Fire Water Tender:

The proposal of purchase of fire water tender having following specification at an estimated cost of Rs.40,00,000/- through M/s. NBCC Ltd. was approved. It was also decided that in case of any increase in expenditure based on the tenders received by NBCC , the same may be processed on file for approval by the Chairman.

15.2.3 Construction of Food Courts:

The position as reported was noted by the Authority. However, with regard to auction of two units in Food Court No.1, JDC was requested to finalize the procedure for tendering. It was also decided that the bid should be restricted to a Chain of Food items having at least 25 outlets in Gujarat. In case of a Franchisee making a bid, it should have an 'assent letter' from the concerned Food Chain.

15.3.1 Construction of CIB (special type) sheds:

The position as reported was noted by the Authority. However, JDC was asked to follow up with the units for surrender of their damaged sheds for dismantling and reconstruction.



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

The position as reported was noted by the Authority.

15.3.3 Outsourcing of personnel for accounting work:

The position as reported was noted by the Authority.

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

The Authority has gone through the report submitted by the Committee constituted by it in its previous meeting. During the meeting all the Committee members were present when this issue was discussed. During the meeting, JDC stated that following amendments required to be made in the report of the Committee:-

- (i) In para 7.1.1 (i) at page No.9 of the report, the word "less" has to be substituted by "more".
- (ii) At page 10 of the report after Example-2 following sentence has to be inserted:-
"If an annual rent of a plot at the time of expiry of lease is Rs.120/- per sq.mtr./annum and the prevalent rate of the Authority is Rs.160/- per sq.mtr./annum, rent will be fixed as under."

All the members of the Committee agreed to this and signed the amendments as above.

The Authority agreed to all recommendations made by the Committee for renewal of lease and fixation of rent, etc. except for recommendations at Sr.No.7.1.5 and decided that the review may be done after 3 years instead of 5 years mentioned in the report.

Shri Ajay Kothary, President of KASEZ Inds. Association, who was one of the Members of the Committee stated that in some leases it is mentioned that rent will be revised every three years but percentage of increase is not mentioned. Decision on that point is not included in the report and requested to take a decision on this. It was informed to the Authority that as per MOC's instructions, the rent has to be revised

every three years at least by 25%. Accordingly, it was decided to revise the lease rent by 25% for such leases.

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

The position as reported was noted by the Authority.

16.3 New proposals:-

16.3.1 Proposal of M/s. SME Chamber of India for sponsorship:

M/s.SME Chamber of India's proposal is for a sponsorship of Rs.3,50,000/- during the conference wherein we can address about SEZ/EOU schemes. However, JDC stated that the space in Kandla SEZ is saturated and we may not be able to invite units to this SEZ and as such a sponsorship from Kandla SEZ Authority may not be appropriate. However, we can think of participating from the Government's fund under "Publicity Head" as popularization of EOU and SEZ schemes in Gujarat is our mandate. Sr. AO has informed that an amount of Rs.5.00 lakhs is available under this head. It was decided not to sanction the proposal from the Authority funds and to consider the same under the 'Publicity Head'; file in this respect shall be put up to DC for his approval.

16.3.2 Request of M/s. Guardian Textiles Pvt. Ltd. for allotment of plot area of the shed after demolition:

The request of M/s. Guardian Textiles Pvt. Ltd. to allot the open space as plot after demolition of shed was discussed in detail. It was further noted that there is a huge difference of rent in both the cases. At present, the prevailing rent for a new shed is Rs.1047/- per sq.mtr.per annum for the built up area, while that for plot it is Rs.158.75 per sq.mtr. per annum. After deliberations the Authority also felt that acceding to such a demand will set a bad precedent which may be followed by many more such requests and therefore, the Authority decided to reject their request.

16.3.3 Request of M/s. Mikasa Cosmetics Pvt. Ltd.:

JDC explained that M/s. Mikasa Cosmetics Pvt. Ltd. is a unit having Shed Nos.205 to 210. The unit on 9/5/14 during PH before the JDC gave a proposal that they can get the structural and other design tested from IIT, Mumbai in one month's time. The proposal before the Authority was whether the unit's request may be approved: another test may be conducted from a reputed agency or we may insist on our stand of vacating the sheds. After detailed

deliberations it was decided that we may get the sheds inspected on our own through SVNIT, Surat in respect of the units which have raised objections and that NBCC will facilitate the inspection.

16.3.4 Construction of SDF Unit No.VII:

JDC stated that in the Agenda it was inadvertently mentioned as “unit No.VI” and the same may be read as “Unit No.VII”. The Authority noted that there is a saving of Rs.528.01 lakhs out the construction of two Nos. SDF i.e. Unit II & III. Therefore, it is proposed to construct an SDF Unit-VII having a plinth area of 6000 sq.mtrs. at an estimated cost of Rs.1449.54 lakhs on the basis of CPWD plinth area rates as submitted by NBCC. Further, it is proposed to meet expenditure on the project from ASIDE Fund and the Authority /Fund in the ratio of 2:1. The ASIDE share and the Authority share on this basis would be Rs.966.36 lakhs and Rs.483.13 lakhs respectively. Empowered Committee on ASIDE will be requested to regularize savings of Rs.374.00 lakhs from ASIDE Fund and to sanction additional fund of Rs.592.36 lakhs. Authority’s additional share will be Rs.329.12 lakhs.

After deliberations the Authority approved the proposal to construct SDF Unit No.VII at an estimated cost of Rs.1449.54 lakhs. It was further decided that DoC may be informed about the savings as reported above and also to send a proposal to DoC for sanction of an amount of Rs.592.36 lakhs. Further Authority’s an amount of Rs.329.12 lakhs will be sanctioned for the project. It was also decided that in case the approval from ASIDE is not received, the entire expenditure will be met from the Authority fund.

16.3.5 Engagement of employees on contract/outsourcing:

Authority noted that already a decision has been taken by the Ex-Chairman of the Authority to outsource 4 persons having a qualification of minimum graduation level and computer skills and one Stenographer after due tendering process. The Authority ratified the action taken by the Ex-Chairman.

16.3.6 Passing of audited accounts of the Authority for the year 2012-13:

The Authority has gone through the Audited Accounts of Kandla SEZ Authority for the year 2012-13 and also the Annual Report placed before it and approved the same.

16.3.7 Dismantling and reconstruction of 8 Nos. Type-III Quarters in KASEZ township:

The proposal is to dismantle and reconstruct 8 Nos. Type-III quarters in double storeys (Quarter No. 5 to 12). These quarters are around 30 years old and also damaged in the devastating earth-quake in 2001. Authority noted that the Consultancy agency M/s. Cheshta of M/s. NBCC Ltd., in its N.D.T. test report has mentioned that these quarters are not safe for inhabitation considering Seismic Zone-V requirements. In the report it is mentioned that the quarters are around 30 years old and no retrofitting was done after the earthquake. There are persistent leakages at many places which has damaged the structural members beyond repairs. At many places the concrete does not have proper cover and has been rusted beyond permissible limits. There are deep structural cracks in R.C.C. Bands & Slabs along with cracks in masonry walls. It was also noted that there were more than a dozen officers who were having below entitlement quarters.

Considering the above facts and that keeping a damaged building may cause problems and also due to shortage of quarters for allotment as per the entitlement of officers, the Authority approved the proposal of dismantling and reconstruction of 8 Nos. Type-III quarters at an estimated cost of Rs.147.26 lakhs, as per the estimate of NBCC.

16.3.8 Increasing the height of boundary wall:

The Authority noted that the Kandla SEZ is bounded with a wall of 2.40 mtrs. high. Above the wall, barbed wire fence is provided. Total length of the boundary wall in the old area is 6900 mtrs. and in the new area it is 5200 mtrs. It has been observed on various occasions during the rounds inside the Zone that the barbed wire fencing has been cut at various places. At some places it was also found that ropes are tied with the angles of the barbed wire fencing to make entry inside the Zone by unauthorized elements from the other side of the boundary wall. The Authority noted that the matter has been taken up with the local police also. However this did not yield any result and the miscreants are jumping over the boundary wall.

Authority further noted that to overcome this situation, the matter was discussed at length with the Security Officer and the DGM, NBCC Ltd by JDC and it was felt that the height of the boundary wall may be increased. Units have also raised a serious

concern about the repeated entry of the miscreants by jumping the boundary wall with weapons and stealing their valuable properties. DGM, NBCC mentioned that height of boundary wall of Kandla Port is approximately 4 mtrs. and if the height of our boundary wall is increased to 4.00 mtrs. from the existing 2.40 mtrs. it will be difficult for the miscreants to jump over the boundary wall.

The Authority considered the proposal and approved the proposal for rising the height of the boundary wall from the present 2.40 mtrs. to 4.00 mtrs. of the area of about 4550 mtrs., which is found to be most vulnerable i.e. from near M/s. Rusan Pharma unit towards Kidana village side via M/s. Otoklin, M/s. Vijay Tanks, M/s. Inox India Ltd upto M/s. Tekwood Industries near ODC Gate corner at an anticipated expenditure of Rs.394.76 lakhs, as per estimate submitted by NBCC.

16.3.9 Plant for Wet waste:

The Authority noted about the visit of Padmashree Dr. Sharad Kale of BARC and Dr. M.N. Dhanorkar of Ashoka Bio green (who have set up such a plant in SEEPZ SEZ) to this office. The Authority felt that disposal of wet waste is the responsibility of the Authority and decided to approve the proposal of setting up a 2 MT capacity biomethanation plant for treatment of food/kitchen waste and ETP sludge, at an estimated to cost Rs.65.00 lakhs.

16.3.10 Co-Developer for supply of electricity:

The Authority decided to recommend the proposal of M/s. OPGS Power & Infrastructure Pvt. Ltd. for grant of co-developer status in KASEZ for electricity distribution services to BoA subject to fulfillment of conditions as noted in the minutes of meeting held on 27/5/2014, where the then DC, JDC, KASEZIA President and Secretary and also representative of OPGS Power & Infrastructure Pvt. Ltd. were present.

16.3.11 Opening of Account with HDFC Bank Ltd.

HDFC Bank Ltd. made a presentation before the Authority during the meeting. They explained about various type of reports and returns that can be generated about lease rent and about updated status that can be viewed by the Authorized persons in KASEZ. However, the Bank representatives were asked to give the name of the



Government bodies who have opened account with them, before the proposal is considered. They were also asked to give various deposit schemes such as interest on auto sweep facility, etc. Authority also requested JDC to obtain such details from our present Banker's also. This was to ensure that in the present scenario there is no financial loss to the Authority on account of interest, etc. Thereafter, with the DC/Chairman's approval Authority's account may be opened with HDFC.

16.3.11 Reducing the reserve price for smaller units in Ganga and Narmada SDF Complexes:

Authority noted there are few smaller units in Ganga and Narmada SDF complexes and there was no bid for these smaller units in the last bid. These units are having a built up area of 53 sq.mtrs., 20 sq.mtrs. and 70 sq.mtrs. and their present reserve price is as under:-

Ground Floor : Rs.1256.00 per sq.mtr.

First Floor : Rs.1152.00 per sq.mtr.

Second Floor : Rs.1047.00 per sq.mtr.

Authority agreed to the proposal to reduce the reserve prices of the smaller units by 30%, as agreed to by the Ex- Chairman.

16.3.12 Construction of Sulabh Sauchalay inside the Zone at KASEZ:

First of all it was decided to delete word "Sulabh". The Authority noted that common Sauchalay has already been constructed outside the industrial area of the Zone just adjacent to the boundary of the Phase-II of the Zone. However, there are no such facilities created inside the Zone.

The Authority then discussed about the construction of a 'Sauchalay' inside the Zone at a place near the present inspection yard of used clothing in Sector-I, at an estimated cost of Rs.13.46 lakhs. However, during deliberations, it was felt by the Authority that such Sauchalayas should also be constructed nearer to the five Food Courts also and accordingly approved construction of six Sauchalayas with corresponding increase of the expenditure. The total anticipated expenditure approved for six Sauchalayas comes to Rs.80.76 lakhs, as per cost estimate submitted by NBCC for one Sauchalay.

16.3.13 Sanction of Additional Fund towards construction of Food Courts:

The Authority noted that the proposal for construction of 5 Nos. Food Court was approved at an estimated expenditure of Rs. 108.44 lakhs. However, after discussions with the existing tea-stall operators, some additional facilities at each Food Court has been created such as separate underground water tanks and overhead water tanks, separate wash basins, electric wiring, water lines, etc. These items of work were not included in the original estimate submitted by NBCC. NBCC has created these additional facilities in the already constructed 4 Nos. of Food Courts. Construction of 5th Food Court is yet to commence. Due to creation of these additional facilities, additional completion cost of these 5 Nos. Food Court comes to Rs.8.66 lakhs. The Authority approved the expenditure.

16.3.14 Widening of road with paving blocks inside the Processing Area of the Zone:

Widening of roads in the Zone was undertaken in a phased manner. An area of around 14 kms. (80,000 sq.mtrs.) has already been taken up at an estimated cost of Rs.4,83,68,487/-.

The proposal is to undertake widening of the road with paving block in the remaining area of Sector-I, II, III and IV of old area, except security road, as phase-2 having an area of around 42500 sq.mtrs. with paving block of 100 mm thick and 34100 sq.mtrs. with paving blocks of 60 mm thick at an estimated expenditure of Rs. 675.00 lakhs, as submitted by NBCC, as a part of beautification and world class infrastructure.

The Authority approved the proposal of Widening of road with paving blocks of an area of 42,500 sq.mtrs. at an estimated expenditure of Rs.675.00 lakhs.

16.3.15 Providing and Fixing of Fabricated Shed covered by Pro-flex Roofing System at Custom Check Post at KASEZ:

The Authority noted that at present the Security personnel are working directly under the sky through day and night and they have to face extreme heat and rain. Therefore a need has been felt to build a shed for Security personnel posted at in and out gates. After deliberations, the Authority approved the proposal of providing and fixing of Fabricated shed covered by Pro-flex Roofing System at In and Out gates, at an estimate expenditure of Rs.18.56 lakhs, as provided by NBCC.



Supplementary agenda for the 16th meeting of Kandla SEZ Authority to be held on 26/6/2014 at 11.00 hrs.

1. Request of M/s. K.P.Woven Private Ltd., KASEZ not to charge higher lease rent in respect of transfer of plot Nos.13, 14, 15 & 24, Sector-II, KASEZ.

The Authority went through the Agenda placed before it, for reduction of lease rent from the prevalent rate of Rs.158.75 per sq.mtr. to Rs.79.38 per sq.mtr./annum that was being paid by M/s. S.C. Chemicals before the said premises were auctioned by State Bank of India under SARFESI Act and were acquired by M/s. K.P. Woven Pvt. Ltd under the auction. After detailed deliberations, the Authority was of the view that this involved transfer of premises from exiting unit to another unit and decided to charge prevailing rent of Rs.158.75 per sq.mtr./annum as per transfer policy being adopted in the Zone.

2. Request of M/s.Worlds Window Infrastructure & Logistics Pvt. Ltd., for approval of their development plan:

M/s.Worlds Window Infrastructure & Logistics Pvt. Ltd., is a co-developer, approved for development of FTWZ in Kandla SEZ. They have been allotted with 21.724 acres of land for the purpose. They have requested this office to approve their development plan. The plan was discussed during the meeting. Shri A.K. Pathak, DGM,NBCC after going through the drawing stated that the development plan is not as per the rules and they have to keep an area of 35% for development of roads and other infrastructure. The Chairman asked the representatives of the Co-developer, who were called during the meeting, to revise the drawing accordingly. It was also mentioned that there should be a road all around the boundary wall with a cross-road in between lengthwise and breadthwise. After the Co-Developer submits revised drawing, the proposal, after seeking comments of NBCC, would be approved on file.



(Vijay N. Shewale)
Chairman
Kandla SEZ Authority