

**Minutes of the 18<sup>th</sup> Kandla SEZ Authority meeting held on 21/01/2015 at 1530 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 Pankaj Mittal, Director, MSSL Global Wiring (through video conference)
4. Shri Laxmi Kant Meena, Sr. AO (invitee)
5. Shri V.S. Rawat, SPE, NBCC (invitee)
6. Shri Devaraj. C, Secretary

**18.1 Confirmation of the minutes of 17<sup>th</sup> meeting of Kandla SEZ Authority:**

Minutes of the 17<sup>th</sup> meeting of Kandla SEZ Authority held on 04/09/2014 were confirmed.

**18.2 Review/action taken report:**

**15.2.2 Purchase of a New Fire Water Tender:**

Representative of NBCC informed that the process will be expedited.

**16.3.9 Plant for Wet waste:**

The position as reported was noted. The Authority was of the view that since no response is received from BARC we may take up this work through NBCC as at present there is no proper waste disposal in KASEZ. It was, therefore, decided to take cost benefit analysis from NBCC and thereafter the proposal may be approved on file by the Chairman.

**17.3.1 Construction of CC Road from ROB to Rusan Pharma (in between old and new area) i.e the passage allowed by us:**

Representative of NBCC stated that the work is in progress.

**17.3.2 Engagement of Chartered Accountant firm for internal Audit of KASEZ Estate issues and for providing assistance in checking and monitoring of APRs of KASEZ Units/EOUs.**

The Authority ratified the action taken on file to appoint M/s. Mukund & Rohit CA for monitoring of APRs of SEZ and EOU units on a payment of Rs.4,50,000/- and also internal audit of KASEZ Estate issues on payment of Rs.75,000/-.

With regard to performance of the work, it was informed to the Authority that the work is in progress and they have submitted an interim report which is to be examined. JDC was asked to examine the report and also direct the CA firm to complete the work expeditiously.



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**17.3.3 Dismantling and re-construction of 8 Nos. Special Type Sheds (CIB) Ground plus one), Phase-III.**

The position reported was noted. Representative of NBCC informed that the work is in progress.

**17.3.5 Supply, installation, testing, commissioning of Gym articles in Health Centre at KASEZ:**

Chairman observed that a considerable time has elapsed after issue of the work order. It was informed by the representative of NBCC that the equipment will be installed by the end of February, 2015.

**17.3.8 Providing and fixing of Gate at Check Post with 8 mtr. height and other miscellaneous work for safety:**

NBCC representative stated that the work is in progress. However, Sr.AO who is also looking after the work of Security Officer stated that while increasing the height of the Red Gate, attention may be paid towards one HT & one LT wire lines going above the Gate. The representative of NBCC was also asked to get in touch with PGVCL while carrying out the work, if required.

**17.3.9 Miscellaneous work in Type-I, II, III and IV at KASEZ Township:**

The position as reported that the work is in in progress, was noted.

**18.3 New proposals:**

**18.3.1 Golden Jubilee Celebration of Kandla Free Trade Zone, now Kandla Special Economic Zone:**

The Authority noted that the Golden Jubilee celebration started on 7<sup>th</sup> March 2014 and will be culminating on 7<sup>th</sup> March, 2015. This is not only the Golden Jubilee of KASEZ but also for the FTZ/SEZ scheme in the country.

Committee further noted that the main item of expenditure are following:-

S.No.	Item
1	Flowers and flower decoration
2	Hall booking
3	Hotel Accommodation for dignitaries/invitees & their transportation, etc.
4	Cultural programm
5	Snacks at different functions
6	Cricket dress and chess boards
7	Screen printing



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8	Sports and other trophies and mementoes
9	Advertisement & Publicity and other misc. expenses
10	Documentary on KASEZ
11	Brining out special issue on KASEZ (purchase of magazine and advertisement to the Exim Multimedia)
12	Hiring of vehicles
13	Other miscellaneous expenses

Chairman suggested that approximate expenditure on each item should have been mentioned to arrive at an amount to be sanctioned, as the approval sought is for a huge amount. JDC explained that this time approx.. Rs.11.00 lakhs are likely to be spent on documentary and magazine. Other events shall also be on large scale. After detailed discussions the Authority approved an expenditure of Rs.30 lakhs for the Zone Day (Golden Jubilee) celebration as against the proposed expenditure of Rs.40.00 lakhs. If the expenditure is increased over and above the approved budget, then the same may be placed before the Authority for approval.

**18.3.2 Passing of Audited Accounts of the Authority for the year 2013-14:**

The Authority considered the Audited Accounts of the Authority for the year 2013-14 and approved the same. JDC explained that during the last audit of Accounts of the Authority by the CAG, they have advised about creation of Bad Debt Reserve. The Authority after detailed discussions decided to make provision at the rate of 5% for Bad Debt Reserve every year from the year 2014-15. Keeping in view the present fund position, the Authority also decided to make an FDR of Rs.5.00 crores in Punjab National Bank.

**18.3.3 Appointment of Security Officer:**

The Authority noted that the proposal to fill up one post of Security Officer on contract basis at a fixed salary of Rs.36,000/-, which will be increased by Rs.3,500/- every year from the date of joining. The initial contract shall be for five years.

The Authority ratified the action taken to fill up the post of Security Officer on contract basis to be paid from Authority fund.

**18.3.4 Appointment of Date Entry Operators:**

The Authority noted that tendering process has now been completed and the work is awarded to M/s. Bhakti Cosultants, Gandhinagar for a period of 24 months at a total expenditure of Rs.12,04,524.48 for 1 Stenographer and 4 DEOs. Over and above this amount, the Authority is required to pay additional amount of Rs.50/- per hour for extra hours of duty.

The Authority approved the action taken as above.





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**18.3.5 Replacement of dedicated pipeline with newline:**

The Authority noted that for quite some time, there has been shortage of water supply from the GWSSB and this office has been taking up the issue with the Board for steady water supply. A proposal was also sent to increase the water supply. However, the GWSSB informed that the present 300 mm dia AC dedicated pipeline from Rambaug Head Works to KASEZ is quite old and damaged and there are many leakages in this pipeline; hence more water cannot be pumped from Rambaug Head Works. The Board suggested that to increase the water supply we have to change the pipe line with 300 mm dia DI pipeline (Metalic), 6500 mtrs. length. Accordingly, the Board's proposal for changing the pipeline at an estimated cost of Rs.2,16,34,000/- (Net) and Rs.2,54,95,700/- (Gross) was approved on file. Since the work is to be undertaken by GWSSB as deposit work, the GWSSB has requested this office to deposit the amount of Rs.2,54,95,700/- to enable them to take necessary action.

The Authority approved replacing the old dedicated pipeline with 300 mm dia DI pipeline (Metalic), 6500 mtrs. length at an estimated cost of Rs.2,54,95,700/- as a deposit work and also directed to release the amount to GWSSB.

**18.3.6 Purchase of computers/software for gate pass:**

The Authority ratified the action taken for installation and commissioning of Gatepass Software for KASEZ Check post at a cost of Rs.3,65,750/-.

**18.3.7 Charging compound interest:**

The Authority approved the proposal of charging interest on lease rent arrears at 12% per annum. compound interest, to be compounded quarterly at 3%. As regards the period after which interest is to become due, the Authority decided that keeping in view the present practice, the interest will not be charged on the payments made in the first month of a quarter. Interest shall thereafter be levied upon for the complete quarter.

Authority further noted that In KASEZ, simple interest @ 12% per annum is levied. Further, interest is levied after expiry of one month period from the start of a quarter.

After detailed discussions, it was decided that the present system of levying interest after expiry of one month period from the start of a quarter shall be continued and that compound interest will be charged w.e.f. 1/1/2015.

**18.3.8 Revision of rent in respect of newly constructed CIB(special) type sheds allotted in lieu of existing sheds:**

The Authority noted that the old CIB (special type) sheds were identified for demolition and reconstruction and units who are occupying such type of sheds were asked to surrender the same for dismantling and reconstruction. In the first phase, 12 sheds in Ground+1 manner have been constructed during 2013-14 and allotments were made on levying a rent at 2.5 times of their existing rent, as they were getting double the space (GF&FF). This decision was taken in the 14<sup>th</sup> meeting of KASEZ Authority held on 3/9/2013. Some of the units have represented that the three year





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revision effective from 1/1/2015 should not be applied in their case as they are already paying higher rent and have not completed three years from the date of new allotment.

After detailed discussions, the Authority decided that their lease rent is also to be revised w.e.f. 1/1/2015 to have a uniformity. However, the rent may be enhanced on proportionate basis. Accordingly it was decided to apply following formula for revising the rent in such cases as described under:

Existing rent x 0.25 (proposed increase of 25% w.e.f. 1/1/15) x16 (months from 9/13 to 12/14) / 36 (period of revision).

The above revision is to be made applicable to only those units who have surrendered the premises and occupied the replacement shed before 1/1/2015.

**18.3.9 Increase of Audit fee to M/s.Satish Khushalani & Co:**

The Authority noted that ever since appointment of M/s. Satish Khushalani & Co. as Auditor for the KASEZ Authority w.e.f 2009-10 on an yearly fee of Rs.78,000/- is being paid to them. Their fees has not been increased. Therefore, the proposal to increase the audit fees to Rs.1,15,000/- per year for preparing final Accounts of the Authority and auditing the books of accounts of the Authority from the year 2014-15 and also to continue M/s. Satish Khushalani & Co., as the Authority Auditor was approved by the Authority.

**18.3.10 Re-surfacing of roads in New Area and Liladhar Passoo to Inox in Old area of KASEZ:**

The proposal is to re-surface the entire bitumen road in the New Area (Phase-II) and some portion of old Zone (Phase-II) from Liladhar Passoo to Inox India at an estimated expenditure of Rs.162.93 lakhs, as per the estimate submitted by NBCC was discussed. The representative of NBCC stated that an area of 58,890 sq.mtrs. is covered.

After detailed discussion, the Authority approved the proposal to re-surface the entire bitumen road in the New Area (Phase-II) and some portion of old Zone (Phase-II) from Liladhar Passoo to Inox India at an estimated expenditure of Rs.162.93 lakhs.

**18.3.11 Painting work of Adm. Building i.e. boundary wall (outside) old & new central verge, boundary wall from Red gate to RO, MS, Railing, compound wall from SBI to Township gate, Sodium light poles and boundary wall from OHT to SDF Unit-V in new area:**

The proposal for Painting work of Adm. Building i.e. boundary wall (outside) old & new central verge, boundary wall from Red gate to RO, MS, Railing, compound wall from SBI to Township gate, Sodium light poles and boundary wall from OHT to SDF Unit-V in new area was placed as a table agenda. The estimated expenditure on this work, as per the letter No.DGM(Engg)/NBCC/KASEZ/2015/1208 dated 20/1/2015, is



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Rs.5.73 lakhs. Considering the Golden Jubilee functions, the Authority approved the proposal at an estimated expenditure of Rs.5.73 lakhs.

**18.3.12 Centralized Food Court:**

This was also discussed as table agenda. JDC explained that as decided by the Authority, tender for allotment of three units in Centralised Food Court was issued. However, no bids were received from the reputed Food Chain Operators. Therefore, we need to go for re-tendering with revised conditions. After discussions, it was decided to go for re-tendering with revised conditions after taking approval on file from the Chairman. The Secretary also informed that only two existing tea stall operators have moved to new stalls/shops allotted to them. The Authority therefore directed JDC/Secretary for taking action for cancellation of new/old allotments of defaulting Tea-stall operators.

**18.3.13 Allotment of premises through Bid:**

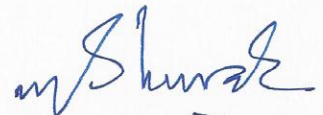
This issue was also discussed as table agenda. The Authority noted that recently bids for allotment of premises were invited. However, certain problems are being faced in deciding the allotment. The bidders have quoted lump sum amount in sq.mtrs. and some of the bidders have quoted a very low lump sum amount and later clarified that they have quoted the same in sq.mtrs., as the rent is being charged is in sq.mtr.

The Authority noted that if bids where the rates are quoted as sq.mtrs. or stated to have been quoted as sq.mtrs. are taken into account, the bid amount in certain cases is more than the lump sum amount quoted by other bidders. Further, the Authority noted that bids have not received for Standard Size SDF Complexes on 1<sup>st</sup> & 2<sup>nd</sup> floors.

Therefore, after detailed discussions, the Authority decided to annul the bidding process for the premises in which the bidders have missed mentioning sq. meters and conduct fresh bidding process for the said premises. It was also decided that for Kaveri complex, the bigger units in GF, FF and SF may be allotted as a package.

Shri Chetan Parekh suggested that for any clarification in the tender, a date and time may be fixed prior to the submission of the tenders so that the prospective bidders can clear their doubts. JDC informed about certain new instructions about allotment are received from Deptt. of Commerce. Thus it was decided to examine the issue again for allotments in future.,

The meeting ended with thanks to all present.



(Vijay N. Shewale)  
Chairperson,  
Kandla SEZ Authority.