

MINUTES OF THE 3rd MEETING OF KASEZ AUTHORITY, HELD ON 06/12/2010 AT 16.30 HRS. AT KANDLA SPECIAL ECONOMIC ZONE UNDER THE CHAIRMANSHIP OF SHRI PRAVIR KUMAR, IAS, CHAIRPERSON, KANDLA SEZ AUTHORITY.

The meeting was held through Video Conferencing from KASEZ office in Gandhidham and O/o DC, Dahej SEZ, Ahmedabad. Following were present:-

Ahmedabad:

1. Shri Pravir Kumar, DC, KASEZ – Chairperson, KASEZ Authority
2. Shri A.N. Mishra, Jt. DGFT, Ahmedabad
3. Shri S.N. Patil, JDC, Dahej SEZ –nominee of MOC

KASEZ

1. Shri Upendra Vasishth, JDC, KASEZ
2. Shri Ajay Kothary, MD, M/s. Schmetz
3. Shri Thomas Kurian, DDC (invitee)
4. Shri R.N. Bairwa, AO, KASEZ (special invitee)
5. Shri A.K. Pathak, DGM, NBCC special invitee)

3.1 Confirmation of the minutes of 2nd meeting of Kandla SEZ Authority:

Minutes of the 2nd meeting of KASEZ Authority were confirmed.

3.2 Action taken Report:

2(i) Upgradation of Security arrangement: It was informed to the Authority that the proposal was considered in the last ASIDE meeting of the Ministry and the Ministry suggested some modification in the proposal. It was decided to send the revised proposal, as advised by the Ministry, for sanction of grant under the ASIDE Scheme.

2(ii) Service charges: Authority noted the issuance of the circular asking the units to pay the user charges and enquired about the response from the units. JDC informed that the decision to levy user charges w.e.f. 1/4/2010 was taken in the 2nd meeting of the Authority and the circular was issued only in July 2010, the units have just started making the payments and the remaining units are being asked to make the payments. Chairperson stated that in every Authority meeting outstanding dues pertaining to the previous quarter should be placed for review and information. This was agreed by all the Members.

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2(iii) Sharing: JDC informed that the decisions on requests for sharing permission are being taken by the Chairperson on a case to case basis, as per the decision of the Authority.

3(iv) TAN/PAN: Authority noted that the Income Tax Authority had since issued the TAN No. RKTk02363E to the KASEZ Authority.

3(v) Engagement of Advocate: Position reported was noted. However, it was noted that no Advocate was engaged at Ahmedabad High Court. JDC informed that already Govt. appointed advocate was available at Ahmedabad and hence no separate advocate was engaged. Shri Kothary stated that Govt. Advocates may not agree to work for Authority at the Govt. rates and Authority may consider appointing an independent Advocate of the Authority for better results. It was decided to engage an independent Advocate for the Authority at Gujarat HC, after obtaining details of prevailing system in other SEZ Authorities and bodies.

3(vi) Payment to Doctor/Nurse: The position reported was noted.

3.3 Expenditure incurred during the current financial year (2010-2011):

JDC informed that there was some mistake in the statement at Annexure-III and stated that Authority had appointed an Accounting firm for conducting the accounting work. The firm had started work from 1/11/2010 and prepared the income-expenditure statement for the year 2010-2011, that shall be placed in the next Authority meeting. This was agreed. However, Authority noted that an amount of about Rs.12.76 crore was available with the Authority at present, which could be utilized for undertaking development works in the SEZ. It was further decided that in the next Authority meeting budget for the year 2011-2012 should be placed for consideration and approval.

3.4 Dismantling and Re-Construction of 12 Nos. Type-II+ (Type-III) quarters at GHB:-

Authority noted that in GHB there were 12 quarters in three blocks (4 quarters in one block) (Quarter Nos. 245 to 256, Block No. 14, 15 and 16 in GHB Colony), which were purchased by the KASEZ Administration sometime in the year 1984-85. These quarters were heavily damaged during the devastating earth-quake in January 2001. These quarters were got inspected through the consultants of M/s. NBCC, who had declared these quarters as unfit for habitation. Chairman stated that he had also visited these quarters along-with JDC, DGM,



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NBCC and found these quarters to be very weak and damaged and felt that these quarters need to be reconstructed at the earliest, to avoid any mishap. Accordingly NBCC had submitted their preliminary estimate of Rs. 222.73 lakhs for dismantling and reconstruction of 18 quarters in G+2 formation (as against G+1 previously). Chairman enquired whether the rates quoted were as per the CPWD norms or not. DGM, NBCC clarified that all the rates quoted were as per CPWD norms only. Since the proposal is for 18 quarters, Chairperson asked about shortage/non-availability of quarters. It was informed to him that presently many officers were staying in the quarters below their eligibility. After discussions, Authority approved the proposal for dismantling and re-construction of 18 quarters (as against 12 quarters earlier) in ground plus two formation, at an estimated expenditure of Rs. 222.73 lakhs. Chairman asked NBCC to get all statutory approvals before starting the work.

3.5 Re-surfacing of Roads:

Considering the present condition of the roads in Sector-II, III and check post to HUL, it was decided to carry out the re-surfacing of these roads at an estimated cost of Rs.143.11 lakhs, as submitted by NBCC, covering an approximate area of 61,865 sq. mtrs. Shri Kothary informed that the condition of roads in Sector-I was also very poor and those roads also needed to be re-surfaced. This was noted by the Authority and NBCC was asked to submit the estimate for consideration in the next Authority meeting, for roads in Sector-I also, which could be taken up in the next phase.

3.6 Construction of CC Parking inside the check post, both at IN and OUT gates:

It was noted that there was no proper parking area inside/out-side of the check post. There was heavy traffic of heavy trailers, carrying import/export cargo, which are parked on the roads and damage the roads. It was noted that the anticipated expenditure for CC parking would be around Rs.3.58 crore, as submitted by NBCC. Authority felt the urgent need for creation of a suitable parking area for proper parking of the vehicles, to avoid traffic congestion and accordingly approved construction of CC Parking inside the check-post, both at IN and OUT gates, at an estimated expenditure of Rs.3.58 crores, covering an approximate area of 12,300 sq.mtrs.

3.7 Construction of CC Road from National Highway to 300 Acres Gate and improvement of Gate and Central Verge.

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Authority noted that this was the main road coming from National Highway to the gate of newly acquired 300 acres land. There was also a central verge that needed urgent repair /re-construction. Total area is approximately 16,420 sq. mtrs. It was further noted that the road was re-surfaced in 2005-06 and was damaged considerably due to heavy traffic, leakage of diesel during parking, etc. Preliminary estimate of Rs.5.02 crore, was submitted by NBCC for Construction of CC Road from National Highway to 300 Acres Gate and improvement of Gate and Central Verge. Considering the critical importance of the road and heavy traffic plying on this road, the Authority approved the proposal at an expenditure of Rs.5.02 crore.

3.8 Painting of Boundary wall:

Authority approved the proposal of painting of boundary wall at a cost of Rs.27.57 lakhs, as per the preliminary estimate submitted by NBCC.

3.9 Construction of check-post, shaded parking and dormitory with canteen:

It was noted that this work was a part of the proposal at 3.2(i) and needed to be taken up with the Ministry for approval under ASIDE scheme.

3.10 Construction of two numbers SDF Block:

It was noted that already a proposal had been sent to the Ministry for approval under ASIDE scheme. Authority decided to request the Ministry for expediting it.

3.11 Miscellaneous maintenance work in Quarters:

It was reported that in these quarters the present flooring, etc. were damaged badly and needed to be replaced. Preliminary estimate of expenditure is for an amount of Rs.30.07 lakhs. Authority decided to approve the proposal for undertaking following work in the Quarters at an estimated expenditure of Rs.30.07 lakhs:-

Sr.No.	Type of quarter	Quarter No.	Proposed work
1	Type-IV	1&2	Change of present flooring to vitrified tile flooring, providing mosquito net door shutter and widening of gate. Painting work inside and outside.
2	Type-IV	3 & 4	Change of present flooring to

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			vitrified tile flooring, providing mosquito net door shutter and change of internal wiring. Painting work inside and outside.
3	Type-III	1 to 4	Change of present flooring to vitrified tile flooring. Painting work inside and outside.
4	Type-III	19 to 23	Change of present flooring to vitrified tile flooring. Painting work inside and outside.
5	Type-II	3 & 17	Widening of gate
6	Officers Hostel		Kitchen platform with Kota Stone flooring, steel sink, glaze tiles in toilets/bathrooms, water storage tank and mosquito net door shutter.

Summary of Approvals:

Sr.No.	Agenda Sr.No.	Proposal	Amount Rs.in lakhs
1	3.4	Dismantling and reconstruction of 12 Nos. Quarters at GHB (G+2 to 18 Nos. instead of 12 Nos.)	222.73
2	3.5	Resurfacing of roads	143.11
3	3.6	Construction of CC parking inside the check-post both in and out gate	358.00
4	3.7	Construction of CC road from NH to 300 acres gate and improvement of gate and central verge	502.00
5	3.8	Painting of boundary wall	27.57
6	3.11	Miscellaneous maintenance work in quarters	30.07
		Total	1283.48

Authority decided to release an amount of Rs.12.00 crore, for the approved projects as listed above.

3.12 Fixation of per unit norms for plot/SDF in KASEZ:

It was felt that this need not be discussed in the Authority and may be put up separately on file. Accordingly this agenda item was withdrawn.

3.13 Outsourcing of Accounting Work:

Authority noted the position reported in the Agenda note regarding assigning the job of accounting work to M/s. Mukund & Rohit, Chartered Accountants. It was reported that they had started the work w.e.f. 1/11/2010.

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3.14 Appointment of Chartered Accountant:

It was stated that the CA firm doing the accounting work cannot audit the accounts of the Authority and a CA may be appointed for auditing. Further, this may not involve large expenditure, therefore, the Authority decided that quotations may be obtained from Chartered Accounts for auditing and delegated the powers to Chairperson for appointing a CA. DDC pointed that till such time a C.A. is appointed, all financial matters be looked after by the Accounts Officer, KASEZ, as Secretary is not competent for the financial matters. Authority agreed with the proposal and decided that all financial matters be looked after by the Accounts Officer, KASEZ till alternative arrangements.

3.15 Listing of assets of Kandla SEZ Authority as on date of transfer from the Kandla Special Economic Zone and takeover:

As set out in the Agenda note, following immovable/movable assets of KASEZ were treated to have been taken over by the Authority w.e.f. 1/1/2010. It was decided that proper asset register may be opened and entries made in the register.

Sr.No.	Physical assets	
1	Land including the drainage lines, roads, electrification, water line, RCC storm water line, boundary wall and other infrastructure, etc.	971.75 acres (this excludes an area of 28.25 acres under dispute, out of the 300 acres land leased to KASEZ by the KPT) of Village Kidana, Sub-Registraton district, Gandhidham, Gujarat. 700 acres in ownership and 300 acres lease for 30 years w.e.f. 18/11/2003.
2	Factory sheds of various dimensions	314
3	KASEZ Dispensary	
4	Security-cum-customs office	
5	Godowns near Check-post	
6	Entire Water supply system inclusive of pump houses (1 each in old & new area), underground and overhead tanks (1 each old and new area).	2- pump houses 2 UG tanks 2 OH tanks
7	Fire Brigade office with underground	1 UG tanks

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	and overhead tank, pump house with generator and one fire tender	1 OH tank
8	Water supply colony area	1 UG tanks 1 OH tank
9	Administrative Buildings (old and new) alongwith generator and all fixtures and fittings.	2 blocks
10	Staff Quarters	(a) DC's Bungalow. (b) JDC's Bungalow, (c) 8 Nos. Type-IV. (d) 23 Nos. Type-III. (e) 24 Nos. Type-II. (f) 48 Nos. Type-I (3 Nos. converted into 1). (g) 6 Nos. Officers hostel (converted). (h) 16 Nos. Santry Hostel (converted). (i) 12 Nos. Type II+ GHB in three blocks.
11	Investors Convenience Centre (along-with furniture and fixtures)	
12	Pay & Use Toilet	
13	Generator room in residential area with generator	
14	Old damaged school building in colony area	
15	2 Nos.Canteen (1 each in Sector-I and Sector-II)	
16	Tea Stalls	
17	Temple building (colony)	
18	Road Over bridge (ROB)	

3.16 Continuation of Adhoc Secretary:

It was decided to continue the services of Shri Devaraj. C as ad-hoc Secretary till 31/3/2011, at an honorarium of Rs. 4000/- p.m.

3.17 Proposals to be undertaken in the next five year period:

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3.17(a) Conversion of all roads to CC roads with pavement:

It was observed that the total length of the road was 55 kms. and involved area of 3,85,000 sq. mtrs. Preliminary estimate of expenditure would be around Rs.147.93 crore, as stated by NBCC. Authority agreed with the need to create good quality sustainable infrastructure in the SEZ and gave in-principle approval to the proposal of conversion of all roads to CC pavement. The funds for undertaking these works would be released in phases, with the approval of Chairperson, subject to their availability, against the individual estimates submitted by NBCC. The details of funds released against such proposals would be put before the Authority for information and ratification in subsequent meeting.

3.17(b) Dismantling and reconstruction of 48 Nos. CIB type sheds:

Authority noted that these sheds were constructed during the period between 1980 and 1985 and were heavily damaged during the earthquake in January 2001 and needed to be reconstructed. Since there was shortage of area in KASEZ, the proposal was for construction of the sheds in a manner of Ground plus one; each shed having an area of 450 sq. mtrs., so that more units could be accommodated. NBCC's preliminary estimate was for an amount of Rs. 108.55 crore. (this amount was wrongly mentioned as Rs. 108.55 lakhs in the agenda). It was decided to take up this proposal for sanction under ASIDE Scheme. However, it was also decided to have a meeting with the Association/units occupying these sheds whether they would be willing and be able to vacate these sheds for reconstruction. Units may be also informed that for such reconstructed sheds, the rent would be charged after taking into account the cost of construction of the sheds. It was also decided to keep a few sheds reserved for providing alternate arrangements to those units, during re-construction period.

3.17(c) Construction of two numbers SDF Block:

Proposal was decided to be sent to the Ministry for sanction under ASIDE Scheme.

3.17(d) Desalination Plant:

In view of the limited availability of water and little scope for augmenting the same from State government sources, it was decided to get a feasibility report prepared for the project of desalination plant. Accordingly, the Authority approved the proposal for conducting a feasibility study of desalination plant, subject to a ceiling of Rs.10 lakh. It was also decided to call Request for Proposals for setting up of desalination plant on BOT basis.

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3.17(e) Effluent Treatment plant:

Shri Kothary suggested that instead of Effluent Treatment Plant, KASEZ should set up a Sewage Treatment Plant (STP), so that the treated water can be utilized for industrial use as well as gardening/ Horticulture. It was decided that KASEZ may invite proposals for setting up of 5 mld STP, on turnkey basis.

3.17(f) Replacement of lights with LED and Water harvesting:

It was informed that Ministry had already sanctioned a project for solar energy under the ASIDE Scheme. It was, therefore, decided that the proposal for LED may be included in the same.

Regarding water harvesting it was felt that individual units may be asked to do water harvesting and the units who undertake water harvesting, a concession may also be offered. However, it was decided to check with the NGWB regarding the feasibility of water harvesting in Kutch region.

3.17(g) Maintenance budget:

It was informed that the Authority will need Rs.20 crore as maintenance budget for the next five years. It was suggested that these proposals should be part of the Annual Budget.

Additional agenda point:

3.18 Making a separate gate for Over Dimensional Cargo (ODC):

This was not included in the original agenda. DDC pointed out that the BOA for SEZs had approved a separate gate for ODC and the work had to be undertaken. Therefore, with the consent of the members this had been included as agenda item 3.18. It was decided to call estimates from NBCC for construction of separate gate for ODC. Authority was of the view that since the gate would be used only by a few companies in the Zone, the Authority should charge extra from these companies, for using the said gate, based on the expenditure incurred on the work. It was also decided that JDC/DDC may call the users for discussions.

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



(Pravir Kumar)
Chairperson