

**MINUTES OF THE MEETING OF 8th KANDLA SEZ AUTHORITY MEETING
HELD ON 13/02/2012 AT 15.30 HRS. AT KANDLA SPECIAL ECONOMIC ZONE
UNDER THE CHAIRMANSHIP OF SHRI PRAVIR KUMAR, IAS, CHAIRPERSON,
KANDLA SEZ AUTHORITY.**

Following were present:-

1. Shri B. Pattanaik, JDC, KASEZ
2. Shri R. Kannan, Director, Vijay Tanks & Vessels
3. Shri R.N. Bairwa, AO, KASEZ (special invitee)
4. Shri A.K. Pathak, Dy. General Manager, NBCC (special invitee)

8.1 Confirmation of the minutes of 7th meeting of Kandla SEZ Authority:

Minutes of the 7th Kandla SEZ Authority meeting held on 26/12/2011 were confirmed.

8.2 Review/action taken Report:

8.2.1 Revision of lease rent:-

The position reported was noted.

8.2.2 Reconsideration of sharing permission:-

The position reported was noted.

8.2.3 Request of M/s. Worlds Window Infrastructure& Logistics Pvt. Ltd. – fixation of lease rent in FTWZ:

This issue was discussed in the last meeting of Kandla SEZ Authority and the Co-Developer was asked to re-work their calculation and send their final figures. Accordingly, vide their letter dated 23/01/2012 they have submitted their revised tariff, as under:-

| Sr.No. | Type of land/facility | Earlier tariff (Rs. per sq. ft.) plus applicable taxes | Revised Tariff (Rs. per sq. ft.) plus applicable taxes | Revised Tariff (Rs. per sq. mtr. pa) plus applicable taxes | Lease Rent of KASEZ with 20% increase (RS. PER SQ. MTR) |
|--------|--|--|--|--|---|
| 1 | Clean demarcated land, without levelling/WBM, only with boundary wall in the main outskirts and rest all other facilities to be on client account. | Rs.1.5 to Rs. 2.0 pm | Rs. 1.2 pm | Rs.13 pm x 12 = Rs.156/- per sq.mtr pa | Rs.152.4 per sq.mtr pa |

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| | | | | | |
|---|---|----------------------|-------------|--|----------------------------|
| 2 | Clean demarcated land with internal roads, drainage and levelled hard grounds and facilities like closed boundary wall with lighting arrangement with roads, use of common small office (in case any other facility is required then it shall be on client account) | Rs. 5/- to Rs.6/- pm | Rs. 2.93 pm | Rs.32 pm x 12 = Rs. 384/- per sq. mtr pa | Rs.152.4 per sq. mtr pa |
|---|---|----------------------|-------------|--|----------------------------|

Shri Kishore Verma, Terminal Manager, M/s. Worlds Window Infrastructure & Logistics Pvt. Ltd. appeared for discussions. He presented the detailed calculations of rent, based on the various expenses, capital as well as operational, that the co-developer would be incurring for creating and maintaining the ware-housing facilities. During the discussions it was informed to Shri Verma that the rates quoted by them were on a higher side. After detailed deliberations and close examination of the calculations submitted by the co-developer, the following rates were finalized, after duly considering the views of the industry representatives:-

| Sr.No. | Type of land/facility | Revised Tariff (Rs. per sq. mtr. pa) plus applicable taxes |
|--------|--|--|
| 1 | Clean demarcated land, without levelling/WBM, only with boundary wall in the main outskirts and rest all other facilities to be on client account. | Rs. 11/- pm x 12 = Rs. 132/- per sq.mtr p.a. |
| 2 | Clean demarcated land with internal roads, drainage and levelled hard grounds and facilities like closed boundary wall, with lighting arrangement with roads, use of common small office (in case any other facility is required then it shall be on client account) | Rs.28/- pm x 12 = Rs. 336/- per sq. mtr p.a. |

Shri Kishore Varma was also asked to give C.E. certificate, in support of the costing calculations for various developmental activities being undertaken by the co-developer.

8.2.4 Reduction of area in respect of M/s. Integrated Warehousing Kandla Product Development Pvt. Ltd. (IEKPDPL) and M/s. Worlds Windows Infrastructure and Logistics Pvt. Ltd.

It was informed that the action had already been taken to re-measure the plots to arrive at the exact area by excluding the area of security roads.

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8.3 Balance payment to NBCC:-

Authority noted the progress of various works and release of funds to NBCC as under:-

(Rs. in lakhs)

| Sl. No. | Name of the work | Estimated Cost | Funds released | | | Balance to be paid from Authority | Progress |
|---------|---|----------------|--|---------|---------|-----------------------------------|---|
| | | | Authority | ASIDE | Total | | |
| 1 | Construction of CC Road from - (i) ROB to BW Bharapar side, (ii) along the big size nala from BW old SEZ area to Sea side boundary wall (Narayan Marine Tech) and (iii) from OHT to Everest Kanto, New Area | 827.56 | 827.56 (out of this an amount of Rs.277.70 lakhs saving from similar item work was permitted to utilize for this work) | -- | 827.56 | 00.00 | Completed |
| 2 | Construction of 1 No. SDF (ongoing) (Authority's share Rs. 232.23 lakhs) | 1393.37 | 232.23 | 1161.14 | 1393.37 | 00.00 | Completed |
| 3 | Construction of 2 Nos. SDF (new) (Authority's share Rs. 812.80 lakhs) | 2786.74 | 112.80 | 600 | 712.80 | 700.00 | Work in progress |
| 4 | Re-Surfacing of Roads in Sector-I, IV and balance area of II and III (excluding security road) | 250.00 | 250.00 | -- | 250.00 | 00.00 | Completed |
| 5 | CC Road from HUL to Tulip and Otoklin to ODC Gate (out of Rs.682.89 lakhs) | 682.89 | 682.89 | -- | 682.89 | 00.00 | Completed |
| 6 | Dismantling and reconstruction of GHB quarters (sanctioned in 3 rd meeting) | 222.73 | 139.25 | -- | 139.25 | 83.48 | Work has not been started yet, as the conveyance deed is awaited. |

In respect of the item at Sr. No.6 above, it was stated by DGM, NBCC that even if the conveyance deed was received from the GHB, it will take another three months for drawing approval, etc. Since the project has not been started so far, DGM, NBCC suggested that an amount of Rs.130 lakhs may be diverted from the sanctioned/released amount of Rs.139.25 lakhs to other projects. Authority, therefore, agreed to divert an amount of Rs.130 lakhs for other projects, namely the new proposal for "Construction of Cement Concrete (CC) Parking in the new area (i) near ROB, (ii) loading yard near Vertex and (iii) from flyover to M/s. Green Age in old area".

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8.4 New Proposals:

- 8.4.1 Construction of Cement Concrete (CC) Parking in the new area (i) near ROB, (ii) loading yard near Vertex and (iii) from flyover to M/s. Green Age in old area:

The proposal was to construct Cement Concrete (CC) Parking in the new area near (i) ROB, (ii) loading yard near Vertex and (iii) from flyover to M/s. Green Age in old area at an estimated expenditure of Rs.825.40 lakhs. Authority approved the said proposal for construction of Cement Concrete (CC) Parking in the new area (i) near ROB, (ii) loading yard near Vertex and (iii) from flyover to M/s. Green Age in old area at an estimated expenditure of Rs.825.40 lakhs as infrastructure development. It was also decided to release an amount of Rs. 200 lakhs. It was further decided that since the work of dismantling and reconstruction of GHB quarters has not commenced, and as decided at agenda item 8.3 above, an amount of Rs. 130 lakhs released for the work of dismantling and reconstruction of GHB quarters, may be diverted for this work and the balance Rs. 70 lakhs may be released to NBCC. Balance amount of Rs. 625.40 lakhs may be released to NBCC as per availability of funds and as per their requirement/utilization.

8.4.3 Provisionally audited balance sheet of the Authority for the year 2010-11:

A copy of the provisional balance sheet of the Kandla SEZ Authority for the year 2010-11 was placed before the Authority during the meeting. Sr. Accounts Officer stated that assets value is to be verified once again considering the funds released from ASIDE and Authority. Sr. Accounts Officer was accordingly advised to finalize the Audit Report and place it in the next Authority meeting. Deferred.

8.4.4 Renewal of Lease for land allotted in Kandla SEZ for residential colony – request of M/s. Sharda Metal Industries, KASEZ.

It was decided that a Sub-Committee consisting of DGM, NBCC, Secretary and Sr.AO shall carry out site inspection, take photographs and submit their report in accordance with the SEZ Authority Rules. The Authority authorized the DC/Chairman to take decision on this issue based on the report of the sub-committee.

8.4.5 Construction of 2 Nos. Standard Design Factory (SDF Building) (Ground Plus), 7500 sq.mtrs:-

Authority noted that the Empowered Committee of ASIDE in its meeting held on 14/10/2011, has approved in-principle the Zone's proposal for construction of 2 Nos. SDF Building (Ground Plus),



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7500 sq. mtrs. at a Total Project Cost (TPC) of Rs.3099.06 lakhs. ASIDE TPC eligibility is mentioned as Rs. 3008.78 lakhs. The in-principle approval was given subject to the condition that KASEZ should first complete its ongoing projects approved in 2009-10 and 2010-11. Funds will be released after completion of such projects.

DGM, NBCC stated that the projects approved in 2009-10 have been completed. The projects approved in 2010-11 will be completed by March 2013. Taking the status of on-going projects into account and after due deliberation, it was decided by the Authority to grant Administrative Approval for Rs. 3008.78 lakhs for construction of **2 Nos. Standard Design Factory (SDF Building) (Ground Plus), and Expenditure sanction of Rs. 150 lakhs** to enable the NBCC to start the designing, estimation and tendering work, from Authority's fund. NBCC may put up their requirement of fund to MOC before the ensuing meeting of the empowered Committee of ASIDE.

8.4.6 Dismantling and re-construction of CIB (Special Type) sheds (phase-1):

Authority noted that the Empowered Committee of ASIDE in its meeting held on 14/10/2011 had approved the Zone's proposal for dismantling and re-construction of 12 CIB sheds (No. 213 to 220 and 225 to 228) at a total project cost of Rs.1169.78 lakhs. Out of Rs.1169.78 lakhs, Kandla SEZ Authority has to share an amount of Rs.269.78 lakhs. Authority approved the proposal for releasing an amount of Rs.269.79 lakhs towards the above work to be paid from the Authority's fund to NBCC, as per availability of fund with the Authority and also as per fund requirement by NBCC.

8.4.7 Dismantling and re-construction of Primary school building:

Kandla Special Economic Zone has provided a building to run a primary school in the residential area of KASEZ. The school building was totally damaged during devastating earthquake on 26/01/2001. After the earthquake, the school was shifted to a type-III quarter in the KASEZ Township. The school is running in the said quarter till date. It was reported that the damaged school building has not yet been dismantled. The proposal was to dismantle the damaged structure of the school and reconstruct the school (from standard 1 to 4) building at the same place so that the school can be shifted from the Type-III quarter, at an anticipated expenditure of Rs.123.06 lakhs as informed by NBCC. Authority approved the proposal of dismantling and re-construction of Primary School Building at an anticipated expenditure of Rs.123.06 lakhs and also approved the release of an amount of Rs. 25 lakhs. Balance amount may be released to NBCC as per their requirement of fund and as per the availability.



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Supplementary agenda:

8.4.8 Installation of Gym Equipments at KASEZ Health Centre:-

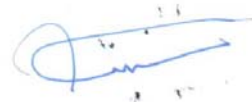
KASEZ Health Centre, situated in the KASEZ residential complex, is functioning well in catering to the health related issues of the employees of Kandla Special Economic Zone. It was proposed to further develop it as "Health & Fitness Centre" by improving the facilities therein. Accordingly the proposal for purchase of following equipment was approved by the Authority:

- | | |
|--------------------------------|--------|
| a. Motorized Treadmill | 2 Nos. |
| b. Foot/Leg Massager | 1 No. |
| c. Commercial Upright Bike | 1 No. |
| d. Magnetic Vibration belt | 1 No. |
| e. Commercial Four Station Gym | 1 No. |
| f. Twister | 1 No. |

8.4.9 Transfer of plot Nos. 346-347 with infrastructure – request of M/s. Transworld Furtichem Pvt. Ltd.

M/s. Transworld Furtichem Pvt. Ltd. is an existing unit in KASEZ for manufacturing of Granulated Fertilizer and Trading of Fertilizers. Vide their letter dated 9/02/2012 they have requested for transfer of plot Nos.346-347 with infrastructure, which are adjacent to their existing premises. These plots are allotted to M/s. Speciality Rolled Products (India) Ltd. M/s. Speciality Rolled Products Pvt. Ltd. vide their letter dated 30/01/2012 have conveyed their NOC for transfer of plots, along-with infrastructure, stating that their project is not viable due to global slowdown etc. They have stated that they have constructed 19,152 sq. ft. in the allotted plots. They have further stated in their letter that they had entered into mortgage with Dombivli Nagari Sahakari Bank Ltd. and they will clear the bank liability and also release the mortgage with Sub-Registrar, on receipt of NOC from this office.

It was informed that several applications from the units for transfer of leased premises (plots and sheds) are being received. In some cases, one unit has issued NOC to more than one party, making the whole affair a real estate business. The issue was discussed in detail wherein it was noted that the land/plot/shed belonged to the KASEZ and allotted to the LOA holders for carrying out their authorized operations. In case the units are not able to carry out their operations or they do not require the land, ideally the land/plot/shed should be



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surrendered back to the KASEZ, in the same conditions, as prevailing at the time of allotment. It was enquired by the industry representatives that whether in case of surrender back of the property to KASEZ, it would be possible for KASEZ Authority to compensate the outgoing unit for the additional constructions/developments undertaken by it. It was clarified that it would not be possible for KASEZ Authority to pay any compensation on this account. After detailed discussions, it was agreed in-principle that unit to unit transfer (with existing buildings/assets), may continue to be permitted, on payment of transfer fee to KASEZ authority (as being done presently). However, it was unanimously concluded that the units should not be allowed to do real estate business on Government/KASEZ land/property and a policy decision should be taken to regulate such activities.

Accordingly, it was decided by consensus that for all new allotments, including additional allotment of land or shed, whether in Phase-I (area admeasuring 700 acres) or in Phase-II (300 acres area acquired from KPT in 2003), the current lease rent should be charged. The current lease rent shall be the same as the rate(s), prevailing in Phase-II plots/sheds.

It was further decided that in transfer cases, the transfer fee may be increased by 20%, in line with the provisional increase of lease rent. Further, every such transfer is to be treated as new/fresh allotment and accordingly, the current lease rent prevailing in Phase-II will be levied, in addition to the transfer fees.

8.4.10 Removal of scattered/mutilated used garments and cleaning of roads in KASEZ .

KASEZ Industries Association (KASEZIA) vide their letter dated 27/01/2012 has informed that they have evolved a mechanism for removal of scattered/mutilated used garments and cleaning of roads in KASEZ and have selected M/s. National Traders, Gandhidham for removal of the scattered/mutilated used garments and cleaning of roads in KASEZ. Authority also perused the note submitted by DC (Customs) on this issue in which it is proposed that the Bill of Entry for the scattered/mutilated used garments, so collected by the Agency, shall be filed by one of the existing units (by rotation) every month and shall be subjected to 100% examination by Customs, in accordance with the provisions of Instruction no. 69 dated 4-11-



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2010, issued by DoC. Accordingly, the proposal of KASEZIA to engage M/s. National Traders, Gandhidham was approved by the Authority, subject to the condition that the Agency appointed shall also ensure that the roads are kept clean and that the Agency shall follow all the conditions, as stipulated by DC (Customs). Security Officer shall issue necessary passes to the Agency.

Table Agenda Items (With the permission of the Chair):-

8.5 Construction of Over Dimensional Cargo (ODC) gate in New Area:

Chairman informed that a proposal for one additional Over Dimensional Cargo (ODC) gate in the New Area (Phase II) had already been sent to the BoA for approval, at the request of one of the Co-Developers of the FTWZ and the Authority should, in anticipation of BoA's approval, accord Administrative Approval for construction of the ODC gate. Accordingly, the Authority considered and accorded Administrative Approval for construction of the ODC gate in the New Area, subject to approval by the Board of Approval for SEZs. It was also decided that an amount of Rs. 20 lakhs may be released to NBCC after getting the estimate from DGM, NBCC and approval of BoA.

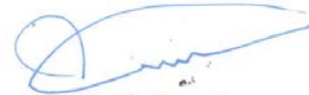
8.6.1 Naming of ROB, SDFs, Roads, etc.:-

Chairman informed the committee that there was a need for naming the roads, ROB and the SDFs etc. for the sake of their easy identification and assigning addresses to units and other facilities inside the Zone. Accordingly, after due deliberation, it was decided as under:-

- (a) The three SDFs, under-construction, may be named as GANGA, KAVERI & NARMADA.
- (b) Road from NH to end of the New Area (Bharapar side boundary wall of 300 acres) be named as Lal Bahadur Shastri Marg.
- (c) ROB may be named as Mahatma Gandhi Setu.

It was also decided to invite suggestions for naming of other streets/Roads and Traffic circles.

Meeting ended with Vote of Thanks to all concerned.


(Pravir Kumar)
Chairperson