

Minutes of the 23rd meeting of Kandla SEZ Authority held on 07/06/2016 at 1500 hrs. at O/o the Development Commissioner, Kandla Special Economic Zone, Gandhidaham under the Chairmanship of Shri Upendra Vasishth, Chairman, Kandla SEZ Authority.

Members:

1. Shri Krishan Kumar, Jt. Development Commissioner, KASEZ
2. Shri Sudesh Zingde, Director, Missionpharma Logistics India Pvt.Ltd.

Others:

1. Shri Laxmi Kant Meena, Sr. Accounts Officer, KASEZ
2. Shri Devaraj.C, Secretary
3. Shri Charan Singh, SO
4. Shri Manoj Kumar, Project Manager (Civil), NBCC Ltd.
5. Shri V.S. Rawat, Sr.Project Engineer, NSL, KASEZ

23.1 Confirmation of the minutes of 22nd meeting of Kandla SEZ Authority held on 18.02.2016:

Minutes of the 22nd meeting of Kandla SEZ Authority held on 18/02/2016 were confirmed.

23.2 Review/action taken report:

15.2.2 Purchase of New Fire Water Tender (FWT):

The Authority noted that the 1st inspection of the Tender has been carried out on 20/5/2016 at the place of fabrication of FWT. PM, NBCC stated that FWT is expected to be handed over to KASEZ Authority by end of August, 2016.

16.3.9 Proposal for setting up an integrated waste management system:

The proposal is to install an incinerator to burn the non-usable items through magnetic process at the present dumping yard. It is proposed to keep waste segregated in 3 categories viz. bio-degradable waste, plastic & polythene and waste clothes & metal. For this we will be required to put three dustbins of appropriate colours at different places. Usable items will be taken away by the agency engaged to operate and maintain the system created. PM, NBCC stated that we require an incinerator of the capacity of 3.5 T/day. For this machine, the cost may be around Rs.1.50 crores. Shri Sudesh Zingde suggested that we may have a smaller incinerator also so that if there is a small quantity, there is no need to operate the bigger one and thereby saving on electricity cost.

Accordingly it was decided go in for two incinerator machines (magnetic process) – one with a capacity of 3.5 T/day and a smaller one of the capacity of 100 kg/day. It was suggested to NBCC we have to obtain all the necessary licences from GPCB and that the supplier has to run it for a period of one year. During this period, they can take away the serviceable items after following due procedure. After one year period, NBCC can outsource the operation and maintenance to some other agency also.

It was further decided that for all the units an awareness campaign be launched and the unit be asked to segregate their waste as per three bins with colour coding green yellow and red. Bio-degradable waste be kept in Green bins, plastic/clothes may be put in yellow bins and metals in red bins.



Minutes of the 23rd meeting of Kandla SEZ Authority held on 07/06/2016 at 1500 hrs. at O/o the Development Commissioner, Kandla Special Economic Zone, Gandhidham under the Chairmanship of Shri Upendra Vasishth, Chairman, Kandla SEZ Authority.

The Authority further requested the Project Manager, NBCC to submit their estimate for setting up of a solid waste management plant with a capacity of 3.5 T/day and a smaller machine of 100 kg/day and authorized the Chairman, Kandla SEZ Authority to take a decision on file and submit it in the next Authority meeting for ratification. This decision is taken considering the fact that the Zone is not having an effective solid waste management plan and also has to achieve the target of 'Swachh Bharat'.

22.3.1 Providing and laying of Sewer Line in KASEZ Industries Area and Township at KASEZ, Gandhidham.

The position as reported was noted by the Authority.

22.3.3 Approval of Audited accounts of the Authority for the year 2014-15:

The Authority was informed about the compliance of the draft SAR which was sent on 16/05/2016 and that the final Report is awaited.

22.3.8 Fixed Deposit:

The position as reported was noted by the Authority.

22.3.9 Interest on User charges:

The position as reported was noted by the Authority.

23.3 New Proposals:

23.3.1 Charging of new rent from Rusan Pharma Ltd. Unit-II.

The Authority after detailed discussions concluded that there is no logic in the request of M/s.Rusah Pharma Ltd (Unit-II) for not charging new rent. Both M/s.Rusan Pharma Ltd.(unit-I) and M/s.Rusah Pharma Ltd (Unit-II) are two separate entities having different LOPs. Therefore, the Authority decided to reject request of M/s.Rusah Pharma Ltd (Unit-II) for not charge new rent from them.

23.3.2 Fixation of rent and user charges – request of M/s.Integrated Warehousing Kandla Project Development Pvt. Ltd., co-developer:

The Authority noted that IWKPDPL was allotted land in 2007 as a Co-developer for developing a Free Trade Warehousing Zone. The land was allotted to them at Rs.19.41 per sq.mtr.per annum. The present rate being now charged is Rs.30.33 per sq.mtr. per annum. However, the total area of 100 acres allotted to them was reduced to 75 acres. Leaving peripheral roads, etc. the effective area with them now is 69.50 acres. IWKPDPL initially were slow in development work. Now, from the last one year year, they have taken development works which include land filling and construction of approach roads in between the area allotted to them.

The request of the Co-Developer is to fix the rent for further allotment in the premises. Dr. Mohammad Sagheer, CEO of IWKPDPL appeared before the Authority meeting and explained their case for fixation of rent. He has stated that they have spent an amount of Rs.9 crores towards the lease rentals. They plan to develop the area available with them in 3

Minutes of the 23rd meeting of Kandla SEZ Authority held on 07/06/2016 at 1500 hrs. at O/o the Development Commissioner, Kandla Special Economic Zone, Gandhidaham under the Chairmanship of Shri Upendra Vasishth, Chairman, Kandla SEZ Authority.

phases. As per plan, three phase shall be completed by 31/3/17, 31/3/18 and 31/3/19, respectively. The proposed investment is Rs.35 crores. Initially their request is for fixation of a rent for allotment of open space though they also have plan to develop built up space subsequently.

After deliberations, the Authority decided to fix a minimum rent of Rs.200/- per sq.mtr./annum for allotment of developed piece of land and put a cap of maximum rent of Rs.614/- per sq.mtr./annum. The minimum rent of Rs.200/- will stand increased by 10% by 1st of every calendar year. As projected by IWKPDPL, this rent at Rs.614/- per sq.mtr. will give a return of 16.99% on equity capital.

The Authority also ratified the decision of allotting an area of about 2.5 acres by the co-developer to M/s.United Drilling Tools Ltd. an existing unit in KASEZ for storage of their materials without any charge by the Authority for a limited period of six months.

23.3.3 Increase of remuneration to Doctor and Nurse at KASEZ Dispensary:

The Authority noted that the remuneration of Dr. Ravi Manocha, MBBS and Smt. Kunjamma Varghese, Nurse at KASEZ Dispensary was last increased respectively to Rs.40,000/- p.m. and to Rs.12,000/- p.m. as per the decision taken in 17th meeting of Kandla SEZ Authority held on 4/9/2014. The Authority noted that for the Government staff the Dearness Allowance was increased by 18% between 31/12/14 to 1/1/16. Since the Dispensary is catering to the requirement of our staff and also the trade & industry set up in KASEZ, the Authority decided to increase the remuneration of Doctor to Rs.46,000/- per month and that of Nurse to Rs.14,000/- per month.

23.3.4 Increase of incentive paid to Ad-hoc Secretary and Asstt. Secretary, Kandla SEZ Authority:

The Authority noted that incentive to present Ad-hoc Secretary & Asstt. Secretary of Kandla SEZ Authority was increased to Rs.7,000/- and Rs.4,000/- respectively as per the decision taken in the 17th meeting of Kandla SEZ Authority held on 4/9/2014. It was decided to increase the incentive of Secretary to Rs.8,000/- per month and that of Asstt. Secretary to Rs.5,000/- per month.

23.3.5 Purchase of a Water Tanker:

The Authority approved the proposal to purchase a Water Tanker (Water Browser), which can work as a back up support to our Fire Water Tender for any fire exigencies. The Authority accordingly approved purchase of a water tanker at an estimated cost of Rs.30 lakhs for purchase of chassis and fabrication work through NBCC. PM, NBCC was asked to submit their estimate for approval of Chairman, KASEZA.

23.3.6 Construction of 1 No.SDF Building (Unit-IX) at KASEZ:

The proposal for construction of 1 No.SDF building (Unit-IX), with cold storage facility was discussed in detail. Sh. Sudesh Zingde informed that it is not necessary to make both units as a cold storage of below Zero degree as the Units like theirs manufacturing medicines have to store the same at a temperature between 0-20 degree C. Minus degree is required for ice-

h

Minutes of the 23rd meeting of Kandla SEZ Authority held on 07/06/2016 at 1500 hrs. at O/o the Development Commissioner, Kandla Special Economic Zone, Gandhidaham under the Chairmanship of Shri Upendra Vasishth, Chairman, Kandla SEZ Authority.

cream and certain food items. After detailed discussions it was decided to go ahead with one unit with refrigerated temperature upto -15 degree C and another unit with a temperature ranging from 2 degree C to 25 degree C. It was felt that for cold storage Unit, height lesser than that for normal unit may be better & save on electricity consumption. Thus, PM, NBCC was asked to re-design the proposal and also to submit their revised estimate for the above, which can be approved by the Chairman, KASEZA on file and be submitted before the Authority in its next meeting for ratification. PM, NBCC was also asked for to consider whether a cold storage unit can have two compartments.

23.3.7 Completion report with respect to KASEZ Authority work during the year 2015-16:

The Authority noted the position of various works as on 31/3/2016 as sanctioned to NBCC Ltd. and as reported by NBCC vide their letter No.PM/NBCC/KASEZ/ENGG/2016/111 dated 1/5/2016.

23.3.8 Raising the height of Security Boundary wall from 2.40 m to 4.00 m over and above 600 mm Concertina Coil of KASEZ-Phase-III:

The Authority noted that there are certain areas left for increasing the height. Accordingly NBCC has been asked to submit their proposal for increasing the height in the remaining portion. Accordingly, NBCC (India) Ltd. vide their letter No.GM(GZ)/NBCC/KASEZ/2016/136 dated 1/6/2016 submitted estimate for raising the height of the boundary wall in the remaining areas at an estimated expenditure of Rs.410.90 lakhs, as phase-III. Total length is 3285 mtrs. The areas covered are as under:-

- | | |
|--|-----------|
| (a) From Gokul SDF corner to ROB Parking gate (new area) – | 1500 m; |
| (b) Kidana Corner to ROB (new area) | - 1000 m; |
| (c) ROB to check post (old zone) | - 170 m; |
| (d) Check post to Lal Gate (old zone) | - 390 m; |
| (e) Periphery of garbage dumping yard (new area) | - 220 m. |

The Authority approved the proposal for raising the height of boundary wall, as above, at an estimated expenditure of Rs.410.90 lakhs.

23.3.9 Fixed Deposit:

The Authority approved the proposal for creating FDs totaling of Rs.5.00 crores with the Punjab National Bank with each FD below Rs.1.00 crores as it fetches more interest than FDs of Rs.1.00 crore and above.

23.4 Proposals for ratification:

23.4.1 Raising the height of boundary wall – ratification:

The Authority noted that, NBCC has been asked to go ahead with work of raising the height of the boundary wall from ROB to Custom check post in the old zone and also to extend the boundary wall by 1 km. in the new area, within the sanctioned cost. Further considering the urgency of allotment of shed No.59 & 60, NBCC was asked to demolish the constructions at

Minutes of the 23rd meeting of Kandla SEZ Authority held on 07/06/2016 at 1500 hrs. at O/o the Development Commissioner, Kandla Special Economic Zone, Gandhidaham under the Chairmanship of Shri Upendra Vasishth, Chairman, Kandla SEZ Authority.

the off-sets of these sheds and also to separate these sheds within the overall sanction given to the work of raising the height of boundary wall (phase-II).

The Authority ratified the action taken.

23.4.2 Construction of SDF VIII – Ratification of approval given for Quantity Deviation:

The Authority noted that M/s. Navin Saxena Research and Technology Pvt. Ltd. (NSRT) vide their letter dated 11/2/2016 had requested for providing of paver block road at the back side of their plot No. 667 to 672 considering the inauguration of their plant in April, 2016 where foreign delegates were going to visit. Since there was urgency, NBCC was asked to undertake the work as the quantity deviation in the work of construction of SDF-VIII within the overall estimate sanctioned for the project of construction of SDF-VIII.

The Authority ratified the action taken.

23.4.3 Dismantling and reconstruction of 8 Nos. Type-II Quarters (Nos. 9 to 16) and supply and erection of 1 No. High Mast at KASEZ Township.

The Authority noted that as per the decision taken in the 22nd meeting held on 18/2/2016 NBCC was asked to go ahead with the work of dismantling and reconstruction of 8 Nos. Type-II quarters (quarter Nos. 9 to 16) at an estimated cost of Rs. 169.37 lakhs, as per the estimate submitted by NBCC vide their letter No. GM(GZ)/NBCC/KASEZ/2016/122 dated 23/5/2016.

The Authority ratified the action taken.

Following points were discussed as supplementary agenda:-

- 1. Uniform system for sale of properties, plots/buildings, machinery, equipment, scrap, etc. from Govt. SEZs.**

The Authority noted the contents of Department of Commerce letter No. D-3/1/2016-SEZ dated 6th April, 2016 about keeping uniformity in allotment/bidding process by SEZs, which inter-alia included following points:-

- (a) Every valid Letter of Approval (LoA) holder in any SEZ may be allowed to participate in auction for space so as to bring wider competition.
- (b) Non-LoA holder may be allowed to participate in such biddings subject to the condition that such participant will obtain a valid LOA from the competent authority within a reasonable period (90) days failing which its Earnest Money Deposit (EMD) will be forfeited and re-auction will be conducted.

After deliberations, it was decided that we may continue with the existing procedure as per which first in-principle approval is given to potential (new) investors and old units requests for additional space is required to be approved by DC on recommendation of the Committee constituted for the purpose. However, for sale of evicted goods, plot with structure on the

Minutes of the 23rd meeting of Kandla SEZ Authority held on 07/06/2016 at 1500 hrs. at O/o the Development Commissioner, Kandla Special Economic Zone, Gandhidaham under the Chairmanship of Shri Upendra Vasishth, Chairman, Kandla SEZ Authority.

evicted premises, which have been created by a unit, we may approach MSTC based on agreement to be entered with them. Ministry may be informed of this decision and if any other directions are received from Ministry contrary to this, the matter may be put up again to the Authority for further action.

2. Miscellaneous works in KASEZ Township, old Adm. building, Custom check post and 5 Nos. Food Courts at KASEZ.

The Authority noted that the proposal is for undertaking following works.

- (i) Replacement of floor tiles in 12 quarter Nos. 25 to 36, Type-I.
- (ii) Renovation of office room and general toilet in old Administrative block
- (iii) RCC slab over existing drain (length 65 mtrs)
- (iv) Fabrication work for roof of 5 Nos. food court complexes and bracing of 17.00 mtr span for proflex sheet roof at In and Out gate in check post.
- (v) Horticulture, landscaping, plantation grassing etc complete for newly developed garden.

The Chairman informed that at KASEZ Guest House, 3 rooms are required to be constructed where the drivers/orderlies of the officers coming from other places can be accommodated when they are staying overnight. Some maintenance works are required to be carried out in the Zone, such as painting of electric poles, etc. Therefore, the Authority asked SPE, NBCC Services Ltd. to submit the revised estimate, which may be submitted on file for approval of Chairman, KASEZ Authority.

3. Allotment of adjacent area to existing units:

The Authority noted that there are occasions when existing units require additional space for the purpose of expansion. In the bidding process, chances remain that they may not get adjacent space and a decision has been taken on file to accord preference to such requests and approved the action taken on the following conditions:-

- (i) If an existing unit whose request for allotment of additional space has been already approved, its requirement for adjacent area can be considered by the Committee for the purpose, if notice inviting bid for such area/space has not been issued.
- (ii) if approved by the Committee such unit shall pay the highest one time bid amount received for plot/SDF/Sheds in the respective area i.e. Phase-I & II, during past one year.
- (iii) One year current/prevaling rent as transfer fee shall be paid besides the above two criteria.
- (iv) If no precedent/past case is available for past 5 years, one time lump-sum payment equal to two years rent (prevailing/current) will be charged.
- (v) Furthermore, for any structure on a plot, amount as assessed by an approved valuer shall also be chargeable.

Minutes of the 23rd meeting of Kandla SEZ Authority held on 07/06/2016 at 1500 hrs. at O/o the Development Commissioner, Kandla Special Economic Zone, Gandhidham under the Chairmanship of Shri Upendra Vasishth, Chairman, Kandla SEZ Authority.

The Committee observed that this is being done in view of the hardship faced by few units on experimental basis and may be reviewed after one year.

4. Engagement of Advocates:

The Authority deliberated on the agenda point. It was noted that at present there are no Government counsels appointed by the Law Ministry in the District of Kutch, it was decided that we may continue the services of Shri Vijaykumar Tejawani for the court cases in Gandhidam for a period upto 31/3/2017.


The Authority was informed that presently there is no advocate (CGC) in Bhuj & Authority has to urgently file an appeal in the Court of District Magistrate, Bhuj against order passed by Dy. Collector, Anjar cancelling allotment of land to Kandla SEZ, etc. It was informed that Shri Tejawani was requested to file the case, but he expressed inability to go to Bhuj. Therefore, Law Officer was asked to look for a lawyer and after discussions Shri Bharat Chaya, Advocate agreed to take this case at a consolidated fee of Rs.25,000/- as one time. Authority approved appointment of Shri Bharat Chaya for this particular case at onetime payment of Rs.25,000/-.

4. Appointment of Ex-Servicemen as Security Guards and Lady Security Guards:

During the meeting, Security Officer submitted a letter requesting appointment of additional Security Guards (ESM) including Lady Security Guards. SO stated that, with the existing security personnel, it is difficult to control the increasing vehicular traffic and also the workers. At present there are 34 security personnel including 4 lady security staff. Out of these, 1 male and one lady security personnel are due for retirement, which will further reduce the strength to 32. Apart from this, there are 13 Security Guards appointed on contract basis, which makes the present strength to 47. The proposal is to appoint additional 17 Ex-servicemen and 8 lady security guards for a period of 5 years.

The Authority was informed that in the 20th meeting held on 18/8/2016 a decision was taken to appoint 22 Security Guards and 8 Gunmen (ex-servicemen/retired CAPF personnel- total 30 personnels). Out of these, we could appoint 13 Security Guards only and no Gunmen has been appointed. It was, therefore, decided that we may take action to recruit balance 17 personnels, out of which 6 posts be filled up from lady candidates having a 'B' Certificate from NCC or should be an ex-servicemen/ex-CAPFs. Remaining 11 posts may be filled up as Security Guards from ex-servicemen/retired CAPFs/State Police officials.

The meeting ended with thanks to all present.


(Upendra Vasishth)
Chairman,
Kandla SEZ Authority.