

**Minutes of the 25<sup>th</sup> meeting of Kandla SEZ Authority to be held on 7<sup>th</sup> December, 2016 at 1500 hrs. under the Chairmanship of Shri Upendra Vasishth, ndc, IOFC, Chairman, Kandla SEZ Authority**

**Following were present:-**

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|--|-----------|
| 1. Shri Upendra Vasishth, ndc, IOFS                        | -Chairman |
| 2. Shri Krishan Kumar, Jt. Development Commissioner, KASEZ | -Member   |
| 3. Shri Bipin J Thakker, Director, Gokul Refoils Ltd.      | -Member   |

**Others:-**

1. Shri Laxmi Kant Meena, Sr. Accounts Officer, KASEZ
2. Shri Devaraj.C, Secretary, KASEZ Authority
3. Shri Manoj Kumar, Project Manager (Civil), NBCC Ltd.

**25.1 Confirmation of the minutes of 24<sup>th</sup> meeting of Kandla SEZ Authority held on 06.10.2016:**

Minutes of 24<sup>th</sup> meeting of Kandla SEZ Authority held on 06/10/2016 were confirmed.

**25.2 Review/action taken report:**

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

The proposal was to construct an SDF Unit, which will have one refrigerated unit and one air-conditioned unit. The Authority members discussed the issue whether refrigerated unit should have a control system for air-conditioning also. Shri Thakker opined that such unit would be in demand and then after deliberation, the Committee decided that refrigerated unit may only have refrigeration facility. The Authority also approved NBCC's estimate of Rs.2787.33 lakhs for SDF which will have provision for a canteen also.

**24.3.7 Appointment of Asstt. Manager (IT) and Asstt. Manager (Estate & Marketing):**

The position that the vacancy circular has been issued for calling applications from the suitable candidates was noted.

**24.3.10 Dismantling and reconstruction of Shed No.63-64, CPWD, Sector-I:**

The Authority noted that that M/s.Vertex Hardwares has surrendered two CPWD type Shed Nos.63 and 64 which are very old and required to be dismantled and that in the last meeting PM, NBCC was asked to submit their proposal for dismantling and reconstruction of these two sheds.

During the meeting, PM, NBCC submitted estimated expenditure for dismantling and reconstruction of Shed Nos.63-64, CPWD vide their letter o.PM(C)/NBCC/KAEZ/2016/365 dated 6/12/2016. The estimated expenditure is for an amount of Rs.1,18,19,246/- (Rupees one crore eighteen lakhs nineteen thousand two hundred and forty six only).

As these sheds are very old and amongst sheds identified for demolition, the proposal for dismantling and reconstruction of these two CPWD shed Nos.63 & 64 at an estimated cost of Rs. 1,18,19,246/- (Rupees one crore eighteen lakhs nineteen thousand two hundred and forty six only) was approved by the Authority.

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**24.3.12 Construction of Indoor Stadium:**

The Authority noted that the detailed estimate from the NBCC for an indoor game facility is yet to be received. PM, NBCC was asked to expedite the same.

**25.3 New Proposals:**

**25.3.1 Setting up of 1 MW solar power project on rooftop under Viability Gap Funding:**

The Authority noted that Government of India, Department of Commerce vide its letter No.23/11/1004/2015-GA dated 3/7/2015 had forwarded a copy of letter of Ministry of New and Renewable Energy regarding launching a scheme to set up 1000 MW of Grid connected solar PV power project by Central Public Sector Undertakings (CPSUs) and Government of India (GOI) Organizations under various Central /State Schemes/self-use/third party sale/merchant sale with Viability Gap Funding. Accordingly, this office had sent a proposal for setting up of 1 MW Solar Power Project on Rooftop under VGF, as per the decision taken in the 21<sup>st</sup> meeting of Kandla SEZ Authority held on 27/10/2015. Total estimated cost of the project is Rs.887.76 lakhs. DoC vide letter No.23/11/1004/2015-GA dated 7/4/2016 informed that the Govt. of India has set a target for installation of 40 GWp grid connected solar rooftop systems in the country by 2022. Further, DoC's letter No.23/11/1004/2015-GA/E-III dated 6/10/2016 set various milestones in this regard.

As this office has not received any communication from the DoC about approval of the proposal sent and the fact that the DoC has set various milestones to execute various processes involved in installation of Roof Top Solar project, pending concurrence from the Ministry to the proposal, the Chairman took a decision on file to set up 1 MW Solar Power Project on Roof Top and NBCC has been asked to go ahead with the work at an estimated expenditure of Rs.887.76 lakhs so that the various milestones fixed by the Ministry can be achieved. The Authority noted above facts and ratified the decision taken.

**25.3.2 Issue of NOC for mortgaging the lease hold rights for loans:**

The Authority considered the fact that whenever the unit is declared as "Non-Performing Assets" by a Bank, the Bank takes symbolic possession under SARFESI Act or move to a DRT/Courts, etc. These cases take a long time for settlement and thereby there is loss of rental income to the Authority/Govt. The Authority's income for infrastructure development is only the lease rent collected. Further the objectives of setting up of an SEZ also get defeated due to space in the Zone lying vacant. The Authority members noted that land belongs to the Govt. (Kandla SEZ Authority) however; denying the NOC to the units may not be feasible for smooth running of their business and the fact that MoC has earlier asked to issue NOC to units. MoC has also sent a draft of NOC. Therefore, it was decided that the NOC for mortgaging the lease hold rights may be continued. It was also approved that a condition mentioned below may be also incorporated in the standard NOC format:-

*"The land is owned by Govt. of India (through Chairman, Kandla SEZ Authority) and the ownership rights are vested with the Chairman, Kandla SEZ Authority. Therefore, the land on lease cannot be attached under any circumstances".*



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**25.3.3 Obtaining of power distribution licence:**

The Authority considered the proposal of PTC India Ltd., a PSU under Ministry of Power, for obtaining power distribution licence for Kandla SEZ. The Authority felt that the demand in KASEZ is not very high and that is met by PGVCL. PGVCL has already spent huge amount of money for creation of infrastructure. There is no quality problem with the power and the industries in the Zone are getting 24x7 without any difficulty. Further, PGVCL is also coming up Sub-Station within the Kandla SEZ. Therefore, the Authority didn't approve the proposal.

**25.3.4 Dismantling and reconstruction of 8 Nos. Type-II Quarters (Nos. 9 to 16):**

The Authority noted that the proposal was already approved in the 22<sup>nd</sup> meeting of Kandla SEZ Authority held on 18/2/2016 and accordingly ratified the action taken for Dismantling and reconstruction of 8 Nos. Type-II Quarters (Nos. 9 to 16) at an estimated expenditure of Rs.169.37 lakhs.

**25.3.5 Review of User Charges:**

The Authority noted that Kandla SEZ Authority levy user charges @ Rs.12.50 per sq.mtr. per annum on the allottees of space in Kandla SEZ and that this rate is effective from 1/1/2012. User charges were levied as per the decision taken in the 2<sup>nd</sup> meeting of Kandla SEZ Authority held on 15/6/2010. At that time the amount fixed was Rs.10/- per sq.mtr. and the same was last revised by 25% w.e.f. 1/1/2012.

The Kandla SEZ Authority provides following services:-

- (a) Security
- (b) Fire safety
- (c) Water Supply
- (d) Estate related services including building plan approvals, common lighting, maintaining the main sewage disposal line in coordination with KPT, maintenance of various infrastructure such as sewage line, storm water drain, roads, etc.

On a review undertaken, it was noticed that the as against the expenditure towards the above works, the receipts from user charges was on a lower side. Towards the above services, during the year 2015-16, the Authority spent an amount of Rs.4.54 crores, and the user charges for this period were Rs.3.32 crores.

The Authority noted the fact that the expenditure was not fully recovered from the user charges and therefore, it was proposed to increase the user charges by 50%. However, Shri Bipin Thakker mentioned that this is not the right time as the industries are facing slow down and it is better if the proposal for increase of user charges is deferred for six months. However, the Chairman opined that almost 5 years have elapsed since last revision and we should atleast increase it by 25%. Therefore, it was decided to increase the user charges from Rs.12.50 to Rs.16/- per sq.mtr. per annum w.e.f. 1/1/2017.



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**25.3.6 Fire Fighting:**

The Authority noted that water distribution in Kandla SEZ is dependent on water supply being received from GWS&SB, as per the bulk supply agreement with them; the supply is, however, erratic. As the Authority is extending fire safety services, sometimes, water requirement for fire fighting operations has to be met through private tankers. Security Officer (SO) who is overall in-charge of the fire brigade has to take permission from the DC/JDC, etc. for purchase of water through private tankers. This may affect smooth fire fighting operations. Therefore, the Authority decided that SO is authorized to call for the private water tankers considering the condition of the fire and the bill will be paid from the Authority fund.

**25.3.7 Appointment of Lady Security Guards on contract basis:-**

The Authority noted that as decided in the 23<sup>rd</sup> meeting of Kandla SEZ Authority held on 7/6/2016, it was decided to recruit 6 Lady Security Guards having NCC 'B' certificate. The advertisement was released in the Employment News as well as put on KASEZ website. However, we did not receive any applications from the women candidate having NCC 'B' certificate. As about 40% of the labour force in Kandla SEZ consists of women and the fact that we have only 4 lady Security Guards in place, the Authority needs to appoint more lady security guards.

As we could not get any women candidate having NCC 'B' certificate, the Authority approved the proposal to re-circulate the vacancy for appointment of 6 Lady Security Guards on contract basis without the NCC 'B' certificate condition. Following eligibility criteria were approved:-

- (a) Ex-Servicewomen/NCC Certificate or
- (b) Should have one year experience as security guard in Govt. organization/PSUs or private security firm.
- (c) Age should not be above 35 years.
- (d) Height not below 155 cms.
- (e) Running 1.5 kms. in 10 minutes.
- (f) 10<sup>th</sup> standard pass

Desirable: Ability to read & write Hindi & Gujarati.

**25.3.8 Purchase of one more fire water tender and two nos. water browsers:**

The Authority considered the request of Security Officer for purchase of one more fire water tender and two nos. water browsers. This request was made considering the fire that broke out in the night of 21/11/2016 and we had to call fire water tenders from different agencies/organizations to control the fire. The fire could be got under control only with the help of 15 fire water tenders and 20 water tankers.

At present, the Authority has two fire water tenders, one new and one more than 17 years old. The old one is frequently going out of order. Further the Authority is not having any water



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browsers to support the fire water tender during the fire fighting operations and had to depend on the private tankers.

PM, NBCC placed brochures of different water browsers. It was seen that one water browser has the ability to throw water at a long distance over fire to douse it. This water browser is having a boom of about 20 mtrs. length with a camera fixed at the nozzle and can be operated through a joystick fitted with the water browser. No person is required to go near the fire. Mr. P.S. Rana, General Manager (Sales) of M/s.New Age Group of Companies, from whom we have purchased our latest fire water tender, made a presentation on this water browser. Through this boom about 6000 litres of water can be dispensed in a minute so that the evaporation of water due to the higher temperature will be offset. Approximate cost for this water browser is around Rs.1.75 crores, as stated by Mr. P.S. Rana. It was felt that if we have this kind of fire browser, success ratio of fire extinguishing can be hugely improved as this boom can reach at the source of fire. The Authority felt that this is going to strengthen fire control mechanism in the Zone. NBCC was asked to work on the proposal for acquiring the browser through open tender.

**25.3.9 Proposal for membership from World Free Zones Organization:**

The Authority discussed the World Free Zones Organization's letter No.WFZO/IND/RO/16-17/002 dated 15<sup>th</sup> October, 2016 requesting Kandla SEZ to consider becoming a Partner member of World FZO. World FZO is a not-for-profit international multilateral Organization committed to supporting the management and continuous development of Free Zones. The World FZO is situated at Dubai Free Trade Zone in U.A.E and is the first organization to bring together free zones to promote the exchange of views, best practice, experience and knowledge and ensure the sustainability and ongoing success of the Free Zone model. As per their proposal, Kandla SEZ being Government SEZ is eligible for Partner Membership without payment of Membership fees. The Partner Members will have access to select World FZO Member Services, including research reports and analysis and World FZO networking events. However, they will not have voting rights during the General Assembly and they will not be subjected to the payment of membership fee. After detailed deliberations, the members unanimously decided that Kandla SEZ Authority should become a member of WFZO so that we can learn the best practices in other Zones and try to improve our Zone also.

**25.3.10 Fund requirement by NBCC for certain on-going works:**

NBCC (I) Ltd. vide their letter No.PM(C)/NBCC/KAEZ/2016/332 dated 15/11/2016 informed that there is saving in respect of following works:-

Sr. No.	Description of work	Amount sanctioned	Amount paid	Amount spent	Requirement	Saving	Remarks
1	Dismantling & re-construction of 8 Nos. CIB sheds (Phase-II)	961.11	902.22	667.40	-	234.82	Work completed
2	Dismantling & re-construction of 8 Nos. CIB sheds (Phase-III)	961.11	816.73	731.17	-	85.56	Work completed

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3	Raising of height of boundary wall Phase-II	446.93	272.00	271.54	-	0.46	Work completed
4	Erection and commissioning of 500 Nos. solar street light poles	182.10	138.00	137.80	-	0.20	Work completed
5	Purchase of chassis and fabrication work for fire water tender	56.17	56.17	53.60	-	2.57	Work completed
	Total					323.61	

Further they had requested for release of funds for various ongoing works, as under:-

Sr. No.	Description of work	Amount sanctioned	Amount paid	Amount spent	Requirement	Saving	Remarks
1	Construction of new 8 Nos.Type-III quarters (G+1)	265.93	164.23	211.63	47.40		Work completed
2	Construction of 1 No.SDF unit VIII	1606.54	900.00	1064.58	200	-	WIP (4 <sup>th</sup> instalment)
3	Construction of widening of road with paving block, kerb stone and providing & laying of sewer line	665.93	400.00	418.56	18.56	-	Work completed
4	Raising the height of boundary wall (phase-III)	499.75	-	-	100	-	1 <sup>st</sup> instalment
5	Dismantling & reconstruction of custom godown and shed No.113 & barricading	313.56	-	-	75.00	-	1 <sup>st</sup> instalment
6	Dismantling and reconstruction of 8 Nos Type-II quarters	169.37	-	-	50.00	-	1 <sup>st</sup> instalment
7	Renovation of KASEZ city office at Ahmedabad	16.97	-	-	16.97	-	1 <sup>st</sup> instalment
8	Construction and implementation of solid waste management system	520.80	-	-	100.00	-	1 <sup>st</sup> instalment
	Total				607.93		

NBCC in their letter dated 15/11/2016 had requested to adjust the savings against their fund requirement and release balance amount of Rs.284.32 lakhs. The Authority, therefore,



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approved diversion of the savings of Rs.323.61 lakhs against NBCC's fund requirement and release the balance amount of Rs.284.32 lakhs to them.

**25.3.10 Minor miscellaneous works in Type-I quarters (Nos.25 to 36), Old Administrative Building, Custom Check post gate, 5 Nos Food Court, Planation in new Garden etc.:**

PM, NBCC vide their letter No.PM(C)/NBCC/KASEZ/2016/367 dated 7/12/2016 submitted an estimate for Rs.1,10,64,010/- (Rupees one crore ten lakhs sixty four thousand and ten only) for the following minor/miscellaneous works:

- (a) Miscellaneous works in Type-I Quarter (Nos.25 to 36)
- (b) Old Administrative Building
- (c) Custom Check Post gates
- (d) In 5 Nos. Food Courts
- (e) Plantation in New Garden near Health Centre
- (f) Supply and placing Furniture (Durian make) in Admn. building.

PM, NBCC informed that already work order has been issued on NBCC Services Ltd. (NSL) for minor miscellaneous works in KASEZ Township, Old Admn. Building, Custom Check Post and 5 Nos. Food Court and also for Furniture. However, NSL has not started procedure and now it is decided that NBCC (I) Ltd. will be looking after these works and therefore, this fresh estimate has been submitted which include tree plantation in this estimate as an additional item.

The Authority approved the above proposal at an estimated expenditure of Rs. 1,10,64,010/- (Rupees one crore ten lakhs sixty four thousand and ten only).

Meeting ended with thanks to The Chair.



(Upendra Vasishth)  
Chairman,  
Kandla SEZ Authority.