

Minutes of the 27th meeting of Kandla SEZ Authority held on 21st March, 2017 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 Sudesh Zingde, Director, Missionpharma Logistics | -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.
4. Shri Charan Singh, Security Officer, KASEZ
5. Shri Satish Khushalani, CA (Auditor)
6. Shri Shiv Shyam, CA, M/s. Mukund & Rohit CA

27.1 Confirmation of the minutes of 26th meeting of Kandla SEZ Authority held on 01.03.2017:

Minutes of 26th meeting of Kandla SEZ Authority held on 01/03/2017 were confirmed.

27.2 New Proposals:

27.2.1 Books of account for the year 2015-16.

Book of Account for the year 2015-16 as submitted has been accepted. The Chairman asked the accounting firm to ensure that time line as prescribed by the CAG be met and the accounting work for the year 2016-17 be completed by 31/4/2017 so that the same can be audited by the CA and sent to CAG for their Audit.

27.2.2 Allotment of space to units and allotment period.

The Authority noted that in the 19th meeting of Kandla SEZ Authority held on 9/4/2015 it was decided that we may allot the built up space on 15 years lease and the plots on 30 years lease period. However, after the above decision, all the allotment of plots continued to be issued for 15 years lease period. Secretary informed that the allotment period was checked up from Noida SEZ and Cochin SEZ and they are allotting the land on 15 years lease period only. The Authority, therefore, decided that we may allot the land only for 15 years lease period.

27.2.3 Review of allotment of space through MSTC:

The Authority noted that as per the decision taken in the Authority meeting held on 6/10/2016 keeping in view directions of Department of Commerce as contained in their letter No.D-3/1/2016-SEZ dated 6/4/2016, an agreement was entered into with MSTC on 10th August, 2016 inter-alia for auction of space in the Zone. However, many difficulties were faced in Registration process and a decision for one time allotment through one-time bidding as per old practice was taken up in December, 2016 and the bidding process was completed on 3/1/2017. After resolving the issue (a circular dated 6/1/2017 was also issued to all units)

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MSTC again took up the bidding but no competitive bidding could take place due to poor/nil response as on 10th March, 2017.

JDC informed that MSTC is again coming up with the auction on 24th March, 2017. The Authority therefore felt that the next auction is being held on 24th March, 2017 let us wait for the outcome of that auction and thereafter we will review the case.

27.2.4 Exorbitant Lease Rent with Annual increase:

The Authority has gone through the point raised by Kandla SEZ Industries Association that the objective of setting up SEZ are manifold but not *Real Estate business and profiteering* from it and their request to consider the exorbitant lease rent prevalent at KSEZ.

The Authority after deliberations decided to constitute a Committee under the Chairmanship of Jt. Development Commissioner, KASEZ to look study the rent issue and come out with their recommendations. Other members of the Committee is as under:-

1. Sr. Accounts Officer, KASEZ
2. Shri Sudesh Zingde, Member KASEZ Authority.
3. One representative from KASEZ Industries Association
4. Secretary, KASEZ Authority – Member Secretary

The Committee shall submit their recommendations within one month.

27.2.5 Approval of drawing of SDF Unit-IX.

The Authority noted that as decided in the 25th meeting of Kandla SEZ Authority held on 7/12/2016 NBCC has been asked to go ahead with the work of construction of SDF Unit-IX at an estimated cost of Rs.2787.33 lakhs. Further, it was noted that this SDF unit will have 4 G+1 units and 2 G+2 units, totaling to 14 units. Out of these G+2 units, one unit each will be of air-conditioned unit and refrigeration unit. Drawing submitted by NBCC for construction of this SDF has been gone through and approved by the Authority.

27.2.6 Applicability of revision of lease rent on 1st January.

Representation of M/s.S.R. Warehousing & Trading, KASEZ regarding revision of lease rent w.e.f. 1st of January was discussed as a table agenda. It was noted that their lease was renewed w.e.f. 21/12/2016. Their contention is that as their one year lease period will be expiring on 20/12/2017 after completion of one year, the revision will be applicable w.e.f. 1/1/2018. It was informed by JDC that presently where the new allotment is made we revise the rent on the following 1st of January.

The Authority discussed the issue and felt that revising the rent immediately after 10 days again put the unit in a disadvantageous stage as two revision are made within a short span of time. After deliberations it was decided that in cases where the lease has been renewed between 1st October, 2016 and 31st December, 2016, the next revision will be made applicable w.e.f. 1/1/2018 and not from 1/1/2017. Similar practice will be followed for future. This is applicable only in respect of renewal of lease where the lease rent is old. Hence, new



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allotment/transfers where current rent is charged, revision still will be w.e.f. 1st of January of next year.

27.2.7 Hiring of Gunmen and lady security Guard:

This issue was also taken up as table agenda. On enquiry by the Chairman, Secretary informed that as decided in the previous meeting of the Authority, tender document for hiring of Gunmen (Ex-Servicemen) and Lady Security Guards are yet to be prepared. Security Officer who was present in the meeting referred to the attempt we had made to hire Gunmen (Ex-servicemen) in the past, however could not succeed due to the arm licence issue. As none of them was having arm licence issued by the State of Gujarat or on All India basis. We had also once called application for Lady Security Guards and could not succeed in this also. Therefore, Security Officer suggested that for Gunmen and Lady Security Guards, instead of we going ourselves for selection of individual persons, the services of Gunmen and Lady Security Guards may be sought from security agencies of repute.

After deliberations it was decided to engage Gunmen and Lady Security Guards through security agencies of repute for which Security Officer was asked to prepare specifications/criteria for advertisement. The Advertisement may be carried in Ahmedabad edition of National daily in Hindi, Gujarati and English language.

The meeting ended with a vote of thanks to all present.



(Upendra Vasishth)
Chairman,
Kandla SEZ Authority.
