

**Minutes of 20<sup>th</sup> Kandla SEZ Authority meeting held on 18.08.2016 at 1500 hrs. at O/o the Development Commissioner, under the Chairmanship of Shri Upendra Vasishth, ndc, IOFS, Chairman Kandla SEZ Authority, Gandhidaham.**

**Following were present:-**

**Members:**

1. Shri Krishan Kumar, Jt. Development Commissioner, KASEZ
2. Shri Chetan Parekh, Director, Oswal Extrusion
3. Shri Pankaj Mittal, Director through (participated through Skype)

**Others:**

1. Shri A.K. Pathak, DGM, NBCC (invitee)
2. Shri Devaraj.C, Secretary

**20.1 Confirmation of the minutes of 20<sup>th</sup> meeting of Kandla SEZ Authority:**

Minutes of the 19<sup>th</sup> meeting of Kandla SEZ Authority held on 09/04/2015 were confirmed.

**20.2 Review/action taken report:**

**15.2.2 Purchase of New Fire Water Tender:**

DGM, NBCC was requested to meet the time line for tendering the Fire Water Tender by end of September, 2015.

**16.3.9 Plant for Wet waste:**

As explained in the Agenda note, the Authority decided to drop the proposal of setting up a plant for wet waste management considering that we are now looking for an integrated waste management system, as discussed in supplementary agenda item No.1.

**20.3 New proposals:**

**20.3.1 Appointment of Asstt. Manager (Estate & Marketing) on contract basis.**

The Authority approved the action taken to appoint Asstt. Manager (Estate & Marketing) on contract basis on a consolidated monthly pay of Rs.40,000/-. However, it was decided that the amount of monthly salary may be considered again on file and a decision may be taken with the approval of Chairman, KASEZ Authority.

Further, the Chairman also felt the need for appointment of a person as Asstt. Manager (IT) as the DCs Committee has already recommended to DoC for creation of this post in SEZ. If a person is appointed, he can take up the computerization of various data including the lease rent recovery, etc. of the Authority. The Authority approved the proposal of appointment of an Asstt. Manager (IT) on contract basis on a consolidated remuneration of Rs.40,000/- per month.

**Minutes of 20<sup>th</sup> Kandla SEZ Authority meeting held on 18.08.2016 at 1500 hrs. at O/o the Development Commissioner, under the Chairmanship of Shri Upendra Vasishth, ndc, IOFS, Chairman Kandla SEZ Authority, Gandhidaham.**

**20.3.2 Damage and theft to High Mast No.31.**

The Authority took note of Security Officer's report the damage caused to the High Mast Tower No.31 near Narayan Marinetechnology and theft of fixtures with wire and rope. The approx. cost of damage and theft is Rs.90,000/- as assessed by NBCC. The Authority noted that FIR has been lodged with the Police and the thieves have been arrested by the Police. However, it was felt that the recovery of the loss is not be possible in this case an decided to write off loss of Rs.90,000/-, as per Rule-7(6) of SEZ Authority Rules, 2009, which empowers the Authority to write-off irrecoverable losses upto Rs.1.00 lakhs in each case.

**20.3.3 Encroachment to Govt. land for construction of ramp and parking stands:**

Authority noted that that the units are resorting to construction of parking stand and ramps on the road sides, i.e. on the Govt. land and the Administration has been asking the units to demolish these constructions. However, the units have requested for a lenient view giving various justification for their action.

The Authority deliberated upon this issue and came to a conclusion that the ramp is required for loading and unloading of cargo. The units should not have constructed the ramp on the road sides and even if it was to be constructed outside their premises considering the size of the plot or shed, they should have approached the Administration for permission. However, demolition of the same at this stage will affect the loading/unloading activities of the units. Therefore, it was decided that a penalty of Rs.50,000/- may be imposed on those units who have constructed ramp on the road sides and also rent at 20 times of the current rate of rent for plots may be charged for the area of ramp.

It was also decided that any requiring such a ramp, it should apply for it to Authority, a Committee consisting of JDC, Secretary and a representative of NBCC may examine the request considering the road width, etc. and make its recommendation for approval for Chairman, KASEZ Authority. However, the rent @ 20 times of the current lease rent for plots shall be applicable.

It was further decided to issue notice for demolition of parking sheds created on the road sides directing the units that they should create the parking slot inside their premises.

**20.3.4 Issue of NOC for mortgaging the leasehold rights to obtain financial assistance from Banks:**

The Authority deliberated on the agenda point. It was noted that a huge area is held up on account of litigation by Bank and the Banks are not honouring the conditions of the NOC i.e. 1<sup>st</sup> charge is always with the Govt. The Authority felt that any decision to stop issue of NOC may not be feasible as the units have to obtain financial assistance from the Banks to run their business. The Authority, therefore, requested the Chairman to continue issue of NOC and simultaneously seek opinion from the Asstt. Solicitor General to further modify the NOC condition.





**Minutes of 20<sup>th</sup> Kandla SEZ Authority meeting held on 18.08.2016 at 1500 hrs. at O/o the Development Commissioner, under the Chairmanship of Shri Upendra Vasishth, ndc, IOFS, Chairman Kandla SEZ Authority, Gandhidaham.**

**20.3.5 Request of M/s.Oswal Polymers not to charge new rent for setting up of a new unit for manufacturing of BSS Grade Castor Seed Oil, etc. within their existing premises:**

The Authority noted that the request of M/s.Oswal Polymers for setting up a unit for manufacturing activity of BSS Grade Castor oil, commercial grade, pale pressed and various other grades of castor oil, castor seed and castor de-oiled cake in KASEZ under new LOP, was discussed in the 82<sup>nd</sup> meeting of KASEZ Approval Committee. The project was stated to be undertaken within their allotted premises by demarcating the area. The Approval Committee approved the proposal subject to their payment of new rent for the area, which is to be used for this new project.

The Authority noted that M/s.Oswal Polymers is allotted with following area:

- (a) Plot Nos.4 & 11 admeasuring 7480 sq.mtrs.
- (b) Plot No.12 admeasuring 4070 sq.mtrs.

It is seen from the records that they earlier had LoA for used plastic processing & castor oil, etc. among other things (F.No. No.KFTZ/IA/1704/97 dated 30/4/2001) and also renewed vide letter dated 31/10/2006. But under instruction No.69 dated 4/11/2010 their broad-banding with other business of plastic recycling was not possible and thus the broad banding of castor oil, etc. was cancelled. Even now they cannot take up this activity as broad-banding with their existing LOP. Therefore, it is clear that unit had LoA for the items like Castor oil, etc. but it has to apply for fresh LOA due to restriction put by MoC. Hence, the Authority decided not to charge new rent for this additional activity.

**20.3.6 Consideration of bids where there is tie in bids for a a particular space/premises:**

The Authority noted that in the last bid, a situation has arisen where there was a tie between the two units as both the units had shown their 1<sup>st</sup> preference for same premises quoting same rate. To deal with such situation, following criteria has been approved by the Authority:-

- (a) UAC meeting number (A proposal approved in earlier UAC meeting should get 1<sup>st</sup> preference. In case of an existing unit, the crucial date will be date of approval by Chairman, KASEZA, as per proposal made in the next item, viz., item No.20.3.7), and if it cannot be decided as per this preference, then
- (b) manufacturing activity should get 1<sup>st</sup> preference, trading and warehousing should get 2<sup>nd</sup> and 3<sup>rd</sup> preference; and even if this criteria cannot decide, then
- (c) Chairman, KASEZA will take a decision, giving a speaking order.

**20.3.7 Consideration of bids by existing units:**

It was noted by the Authority that so far there is no bar on the existing units for applying for additional allotment of premises. As a routine, whenever the bids are published, the existing units also participate in the bid. It was pointed out that some existing units are either keeping the space idle or their exports/NFE/employment does not match with/justify the space they occupy or is nowhere near to the projection they had made at the time of applying for/renewal of LOP. As performance of old units is assessable, it is felt that they should be allowed to bid/get new space only in deserving cases.



**Minutes of 20<sup>th</sup> Kandla SEZ Authority meeting held on 18.08.2016 at 1500 hrs. at O/o the Development Commissioner, under the Chairmanship of Shri Upendra Vasishth, ndc, IOFS, Chairman Kandla SEZ Authority, Gandhidaham.**

The Authority decided that the existing units may make a bid for new space/apply for getting some space transferred, only after their case is recommended by a Committee comprising of JDC as Chairman, Secretary, KASEZA and AO (IA-I) as members and such recommendation is approved by DC, KASEZ as Chairman, KASEZA.

The said Committee will judge the requirement of additional space by the existing unit for SDF/Shed/land based on their existing level of operations/export/investment/employment/type of activity and scope of expansion.

**20.3.8 Revision lease rent for SDF complexes:**

Authority noted that the rentals for the SDF complexes are on a higher side compared to plots of land/shed. Lease rent for plot is Rs.175/- per sq.mtr. Further, the rent of Shed with open area is allotted on a rent of Rs.1250/- per sq.mtr. for built up area only. The rent for SDF having an area of 580 sq.mtr. or so is Rs.1500/- per sq.mtr. for 1<sup>st</sup> Floor, Rs.1350/- per sq.mtr. for 2<sup>nd</sup> Floor and Rs.1150/- per sq.mtr. for 2<sup>nd</sup> Floor. For less than 100 sq.mtrs. the rent is Rs.1,050/- per sq.mtr., Rs.927.50 per sq.mtr. and Rs.805/- per sq.mtr. for 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> floors, respectively. These SDF units have no open area though certain area is available is for common use.

To make the units in SDF more competitive and also lease out the left over SDF, the Authority decided not to revise the lease rent of SEF for two years i.e. on 1/1/2016 and 1/1/2017. It was also decided that whenever bid takes place, it may be mentioned in the bid document that in case of SDF complexes, rent shall not be liable to revision for two year i.e. on 1/1/2016 and 1/1/2017. This should be applicable for all bids taking place in 2015. In bids taking place in 2016, only one year, i.e., revision of rent will not take place w.e.f. 1/1/2017 will be prescribed.

**20.3.9 Appointment of Gunmen and Security Guards on contract basis:**

Kandla SEZ is spread over an area of 1000 acres. Around 200 units are functioning in the SEZ. There are about 26,500 persons are employed by different units in KASEZ. The Security of the Zone is the responsibility of the Authority. As against the earlier strength of 62 security personnel (42 security guards and 20 Jamadars) the present strength is only 37. Manning the Zone with this meager number of security staff is found to be very difficult and there have been repeated requests from the Security Officer for more security guards. Further, there is also security threat to the SEZ.

The Authority, therefore, approved the proposal to appoint on contract basis 8 Nos. Gunmen and 22 Nos. Security Guards (ex-servicemen/retired CAPF personnel) for a period of 2 years, further extendable by 2 years based on performance, as explained in the Agenda note.

**20.3.10 Renovation of KASEZ Guest House (Investors Convenience Centre):**

KASEZ Guest House is considered as an Investors Convenience Centre, where many of the units' representatives from abroad/other places in India require staying. In addition Govt. officers also have to stay in the Guest House who are coming for meetings and other official works. Presently Guest House is in very bad condition and therefore occupancy is very low. Therefore, the Guest House is required to be maintained in good condition. Thus, the proposal for renovation of the Guest House with new sanitary wares, electrical appliances, ACs, etc. and furniture at an estimated cost of Rs.29,38,081/- as per estimate submitted by



**Minutes of 20<sup>th</sup> Kandla SEZ Authority meeting held on 18.08.2016 at 1500 hrs. at O/o the Development Commissioner, under the Chairmanship of Shri Upendra Vasishth, ndc, IOFS, Chairman Kandla SEZ Authority, Gandhidaham.**

NBCC vide their letter No.DGM(Engg)/NBCC/KASEZ/2015/2154 dated 11/8/2014 has been approved by the Authority.


### **20.3.11 Renovation of KASEZ City Office at Ahmedabad:**

Chairman, KASEZ Authority mentioned about the need for renovation of the City office at Ahmedabad for converting it into an office cum-guest house where the officers can stay overnight. Accordingly NBCC was asked to furnish the estimate for the same. The proposal for renovation of the Guest House with new sanitary wares, electrical appliances, ACs, etc. at an estimated cost of Rs.18.17,520/- as per estimate submitted by NBCC Services Ltd. vide their letter No.DGM(Engg)/NBCC/KASEZ/2015/2165 dated 17/8/2014 has been approved by the Authority.

### **20.3.12 Painting work in KASEZ Townshwip:**

Painting work in KASEZ residential colony and other places, as under, was approved by the Authority at an estimated cost of Rs.27,58,825/- as per estimate submitted by NBCC Services Ltd. vide their letter No.DGM (Engg)/NSL/KASEZ/2015 dated 11/8/2015:-

Sr.No.	Type of Quarters	Quarter Nos.	Total No.
1	Type-I	Nos.1 to 12 & 13 to 48	48
2	Type-II	Nos. 1 to 24	24
3	Type-III	Nos. 1 to 4, 13 to 18 & 20 to 22	13
4	Type-4	Nos. 2, 3 & 7 to 10	6
5	DC Bunglaw		
6	JDC Bunglaw		
7	Primary School		
8	Generator room		
9	Gym & Dispensary		
10	Admn.Bldg (old)		
11	Admn. Bldg (New)		
12	Water Tank (Township)		
13	Water Tank Bulk Supply (Sector-IV)		
14	Fire Station (old)		
15	Fire Station (new)		
16	Water Tank (new area)		
17	Check post		
18	PGVCL (Maint.& Billing)		
19	Tel. Exchange		
20	Compound wall of quarters		
21	Compound wall of township		





**Minutes of 20<sup>th</sup> Kandla SEZ Authority meeting held on 18.08.2016 at 1500 hrs. at O/o the Development Commissioner, under the Chairmanship of Shri Upendra Vasishth, ndc, IOFS, Chairman Kandla SEZ Authority, Gandhidaham.**

**20.3.13 Review of on-going works:**

The Authority took note of the position as under:-

Sl. No.	Name of the work	Estimated Cost (Rs.in lakhs)	Funds released by Authority (Rs.in lakhs)		
			Authority Share	Released till date	Balance to be paid
2	Construction of SDF Unit-VI	1198.00	1198.00**	900	298.00
3	Construction of SDF Unit-VII	1449.54	1449.54**	775	674.54
4	Widening of road with paving blocks inside processing area in Sector-I, II, III & IV	675.00	675.00	660.00	15.00
5	P/F of Gate, etc. at Custom check-post	65.00	65.00	65.00	--
6	Misc. maintenance work in KASEZ colony	90.18	90.18	90.00	--
7	Construction of 8 Nos.Type-III quarters (G+1)	147.26	147.26	75.00	72.26
8	Raising the height of security boundary wall	394.76	394.76	394.76	--
9	Construction of 7 Nos. Sauchalayas	94.22	94.22	94.00	--
10	Construction of CC Road between the boundary of the new area and the old area (upto Rusan)	324.05	324.05	324.05	--
11	Painting work of Admn. bldg. etc	5.73	5.73	5.73	--
12	Resurfacing of roads in new area and Liladhar Passoo to Inox in old area	162.93	162.93	162.93	--
13	Supply, installation, testing, commissioning of Gym articles at Health Centre	24.70	24.70	24.70	--
14	Construction of 8 Nos. CIB sheds(ph.II)	961.11	961.11**	450.00	511.11
15	Construction of 8 Nos. CIB sheds(ph.III)	961.11	961.11**	300.00	661.11
	Total				2232.02

*\*\*A proposal has been sent to DoC for ASIDE funds. If the ASIDE grant is received, the expenditure from Authority will be reduced to that extent.*



**Minutes of 20<sup>th</sup> Kandla SEZ Authority meeting held on 18.08.2016 at 1500 hrs. at O/o the Development Commissioner, under the Chairmanship of Shri Upendra Vasishth, ndc, IOFS, Chairman Kandla SEZ Authority, Gandhidaham.**

Supplementary Agenda:

1. Proposal for setting up an integrated waste management system in KASEZ:

As per the instruction No.66 dated 27/10/2010 issued by the DoC, disposal of waste management is the responsibility of the Developer. The proposal received from M/s. Rajesh Traders was discussed by the Authority. They gave a presentation about the proposal. The proposal includes the concept of 'Reduce, Reuse and Recycle'. The project cost is stated to be Rs.100 lakhs, which will be met through promoter's fund capital and bank borrowings. Their representative stated that they are already collecting the waste from KASEZ as an agency appointed by NBCC for quite some time and they are aware of the waste generated in the Zone.

As per the proposal an area of 2 to 3 acres of land is required to be allotted to them for setting up the plant free of rent. At the present lease rent, the annual rent for this area will be around Rs.17 lakhs.

DGM, NBCC stated that at present NBCC collects wastes inside the zone and is dumped in an area ear-marked for the same. There is no proper solid waste management system and the area ear-marked will also be filled in due course of time. From this area, M/s. Rajesh Traders is collecting the waste and for which an amount of approx. Rs.50,000/- is received monthly as he segregates the serviceable items and takes away from the Zone leaving behind other materials. However, Authority is incurring an amount of Rs.25 lakhs approx. per year towards collection of waste. Comparing this amount, the rent amount is lesser.

The Authority asked the representative of M/s. Rajesh Traders to come up with a complete proposal taking into account all aspect including duty implication, if any, and permission from Municipality to dump any residual unserviceable waste so that the proposal can be considered as co-developer for waste management.

2. Construction of New SDF Buildings:

It was informed to the Authority that an area of 13600 sq.mtrs. (Plot No.585) has been evicted from a defaulting unit and it is proposed to ear-mark this plot for construction of SDF, as there is good response for SDF complexes. DGM, NBCC stated that plot Nos. 620, 621 & 625-626 are already ear-marked for construction of SDFs. SDF-VII is already under construction in that area; however, space is available for another SDF.

The Authority decided to ear-mark the said space for construction of SDF VIII & ~~XI~~ DGM, NBCC was asked to submit estimate for the same.

IX  
h

h



**Minutes of 20<sup>th</sup> Kandla SEZ Authority meeting held on 18.08.2016 at 1500 hrs. at O/o the Development Commissioner, under the Chairmanship of Shri Upendra Vasishth, ndc, IOFS, Chairman Kandla SEZ Authority, Gandhidham.**

3. Deviation in quantities of ongoing works allotted by Kandla SEZ Authority – request of NBCC:

DGM, NBCC stated that during the construction of work there is some quantity deviation in different works as per the requirement of the projects and as per combined site visits from time to time. Accordingly the quantities and awarded value to the agency had been deviated but within the all over sanctioned amount by Kandla SEZ Authority, as detailed below:

Sl. No.	Description of work	Sanctioned Lett. No./Date	Amount Sanctioned (Rs. In Lacs)	Amount paid till date (Rs. In lacs)	Anticipated completion cost (Rs. In lacs)	Remark
1	Const. of One Nos. SDF Building Unit-VI at KASEZ, Gandhidham.	KASEZ/WORKS/NBCC/2013-14/12078 DATE: 27.02.2014	1198.00	900.00	1083.74	Work in progress. Approximately 98% work have been completed. During the execution of the work and to complete the work in all respect and have a sufficient parking space to accommodate the vehicles without any hindrance to exports/import activities there have been quantity deviation in different subheads. The excess deviated amount from the LOA value to the agency is 31% which is within the all over sanctioned amount.
2	Dismantling and reconstruction of 8 nos. CIB sheds at KASEZ, Gandhidham (Gujarat) Phase-II	KASEZ/A CCTTS/A SIDE/2014-15/122-123 Dated:-03-04-2014	961.11	450.00	734.72	Work in progress. Some quantities during the construction will deviate final deviated amount will be 5.70% more than the LOA value to the agency. Which is within the all over sanctioned amount.
3	Providing and fixing Gate in check-post, const. of Red Gate with 8.00 mtrs. Security room at admn. Block and misc. work at check-post,	KASEZ/EM/III/187/2014-15/7108 Dated:-18-09-2014	65.00	65.00	65.00	The main gate is under construction during the construction it has been felt and to have an excellent look of entry to Kandla SEZ, it is planned to have granite stone up to 2.10 mtr. Height and balance height of the pillars and horizontal walls pillar to pillar will be taken in aluminium panels, due to above



**Minutes of 20<sup>th</sup> Kandla SEZ Authority meeting held on 18.08.2016 at 1500 hrs. at O/o the Development Commissioner, under the Chairmanship of Shri Upendra Vasishth, ndc, IOFS, Chairman Kandla SEZ Authority, Gandhidham.**

	KASEZ, Gandhidham					<p>the granite quantity will be reduced from 230.00 Sqm to 85.00 Sqm and aluminium panels will be increased from 170.00 Sqft to 4500.00 Sqft. Three extra items will be carried out to complete the work in all respect.</p> <p>(1) Extra for richer mix from 1:2:4 to 1:1.5:3</p> <p>(2) Payment for additional height over and above 3.5 mtrs. Up to 8.00 mtrs. Height</p> <p>(3) Canter and shuttering in walls.</p> <p>But all deviated amount including extra items amount will be within the all over sanctioned amount.</p>
4	Construction of CC road between the boundary of the new area and the old area upto Rusan Pharma) at KASEZ Gandhidham.	KASEZ/E M/III/187/ 2014-15/7104 Dated:-18-09-2014	324.05	324.05	220.47	<p>This work of CC Road have been completed and the road width has been increased from 7 mtrs. To 8 mtrs. To avoid any type of accident and have a smooth vehicular movement and to avoid the congestion of vehicles being an industrial road and connecting to Bharapar &amp; Kidana village. Accordingly the amount from LOA value has deviated by 2.64% more but within the all over sanctioned amount. Balance saving amount of Rs. 103.58 lacs already paid may be diverted to construction of 8 nos. CIB Type Sheds Phase-III.</p>
5	Misc. Maint. Works in KASEZ Colony at KASEZ, Gandhidham.	KASEZ/E M/III/187/ 2014-15/7106 Dated:-18-09-2014	90.18	90.00	86.05	<p>During the construction of misc. Maintenance works in KASEZ colony as per requirement and suggestions of residents the toilet block was converted into toilet cum bathroom and covered with grill for safety purpose. Design of gates was also changed to have good looks to the quarters. The first floor bed room slab of JDC bungalow was dismantled and re-casted as it was damaged and some minor maintenance works of DC bungalow was carried out.</p>



**Minutes of 20<sup>th</sup> Kandla SEZ Authority meeting held on 18.08.2016 at 1500 hrs. at O/o the Development Commissioner, under the Chairmanship of Shri Upendra Vasishth, ndc, IOFS, Chairman Kandla SEZ Authority, Gandhidaham.**

						Due to which the quantities of glazed tiles, rectified tiles, RCC work and structural steel works and in finishing works have deviated but all the deviation amount is within the all over sanctioned amount.
--	--	--	--	--	--	---

DGM, NBCC requested for approval of the above quantity deviations within the all over sanction.

On the above request, Authority also noted that there is a saving of Rs.103.58 lakhs out of Construction of CC road between the boundary of the new area and the old area upto Rusan Pharma) at KASEZ and NBCC has requested to divert this amount for construction of 8 nos. CIB Type Sheds Phase-III. The Authority noted that out of the sanctioned amount of Rs.961.11 lakhs, an amount of Rs.300 lakhs only paid for construction of 8 Nos. CIB sheds (Phase-III) and thus approved NBCC's request for diversion of Rs.103.58 lakhs given for construction of CC Road to construction of 8 Nos. CIB sheds (Phase-III). The Authority also took note of the quantity deviation as reported above by NBCC and ratified the same.



(Upendra Vasishth)  
Chairman,  
Kandla SE Z Authority