

Minutes of the 28th meeting of Kandla SEZ Authority held on 13th June, 2017 at 1500 hrs. under the Chairmanship of Shri Upendra Vasishth, ndc,IOFCS, 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 |
| 4. Shri Bipin Thakker, Director, Gokul Overseas | -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

28.1 Confirmation of the minutes of 27th meeting of Kandla SEZ Authority held on 21.03.2017:

Minutes of the 27th meeting held on 21/03/2017 were confirmed.

28.2 Review/action taken in the previous meetings:

25.3.8 Purchase of one more fire water tender and two Nos. water bowsers:

PM, NBCC informed that tender processing will be completed by end of next week and order will be placed by 31/7/2017.

26.3.1 Allotment/transfer of premises to M/s.Flax Apparels Pvt. Ltd.

The Authority noted that the Unit has been informed to surrender the premises and also deposit the amount for construction of burnt sheds to the Authority for transfer of the plot No.448, Sector-II. It was brought to the notice of the Authority that the unit accepted our condition of surrender of their existing sheds after reconstruction of the same and requested to transfer the Plot No.448 to them at the earliest to meet with their export obligations. They have stated that the reconstruction will be completed in six months time. The Authority after deliberations decided that the plot No.448 be transferred in their favour to fulfil their export obligations subject to the following conditions:-

1. The unit will reconstruct the burnt sheds within a period of six months time and surrender the same to the Authority, till such time they are liable to make the payment of lease rent and user charges for the sheds. Construction shall take place under supervision of NBCC.
2. In case if they fail to surrender the existing premises, the allotment of Plot No.448 will be treated as cancelled. In the allotment of Plot No.448, this condition shall be included.
3. They will furnish a Bank Guarantee equivalent to 10% of the estimated cost of reconstruction of the burnt sheds submitted by NBCC and this Bank Guarantee will be encashed if they fail to surrender the premises.

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26.3.3 Allotment of land to M/s.Reliance Jio Infocomm Ltd.

The position as reported that allotment order has been issued to M/s.Reliance Jio Infocomm Ltd. was noted. It was informed that they are yet to install the tower.

26.3.4 Improvement in Security Wing as per requirement of Security Officer:

26.3.4(a) Construction of watch tower:

PM, NBCC was asked to expedite the estimate at the earliest.

26.3.4 (d) Vehicles:

The position as reported that order has been issued to the lowest bidder was noted. Further, it was also informed that the agency (lowest bidder) has since supplied the vehicle also, which is being used by Security for patrolling in day and night time.

26.3.5 Re-surfacing of security (peripheral) road:

The Authority noted that NBCC's estimate for undertaking resurfacing of security road covering an area of 4.60 kms. having a width of 7 mtrs. in the old area of the zone at an estimated cost of Rs.2,14,50,813/- was discussed in the 26th meeting of Authority wherein Authority asked PM, NBCC to go for the additional area in the new Zone and include this area also in the tendering and come the Authority for ratification in the next Authority meeting. The Authority noted that NBCC vide their letter No.PM(C)/NBCC/KASEZ/2017/479 dated 14/3/2017 submitted revised estimate for re-surfacing of road by including the area from Kidana corner to Narain Marineteck in the new zone at an estimated expenditure of Rs.3,24,73,611/-, which as approved on file and work order was issued to NBCC.

The Authority ratified the action taken.

26.3.6 Fire Audit:

The Authority noted that as decided in meeting, fresh tenders were issued for undertaking Fire & Safety Audit by giving wide publicity in the newspapers and tenders were also received. However, none of the bidders had submitted proof that they are registered with Gujarat State Disaster Management Authority or Directorate General of Industrial Safety and Health or any such Authority of the State of Gujarat for Fire & Safety Audit. As no one meeting this condition participated in the bidding process, it has been decided to scrap the tender. JDC was asked to discuss with the newly appointed Fire Officer, Gandhidham on the issue of the Fire Audit and find a way out.

26.3.8 Contract appointment of Driver-cum-Firemen:

It was reported that the circular for contract appointment will be issued immediately.



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27.2.7 Hiring of Gunmen and Lady Security Guard:

It was reported that the tender for hiring of an agency for providing Gunmen and Lady Security Guard will be issued immediately.

28.3 New Proposals:

28.3.1 Development of Plot Nos.354 to 356 and 364 to 366, Sector-IV by construction of boundary wall & other misc. construction and setting up of 150 KLD Sewage Treatment Plant for KASEZ Township (phase-I) at KASEZ, Gandhidham.

It was noted that the development of plots occupied by M/s. Otoklin Plants surrendered by Official Liquidator and setting up of a Sewage Treatment Plant in the residential colony was discussed with the Project Manager, NBCC on various occasions by the Chairman, Kandla SEZ Authority and they were asked to submit the estimate for the same.

The Authority further noted that NBCC vide their letter No.PM(C)/NBCC/KASEZ/2017/584 dated 9th May, 2017 submitted an estimate for Rs.12,14,39,112/- (Rupees twelve crores fourteen lakhs thirty nine thousand one hundred and twelve only) for Development of Plot No.354 to 356 & 364 to 366 by construction of boundary wall & other miscellaneous structures and setting up of 150 KLD Sewage Treatment Plant for KASEZ Township and the Chairman, Kandla SEZ Authority has taken decision in the file to issue letter to NBCC to go ahead with the work and accordingly, sanction letter has been issued to NBCC.

The Authority ratified the action taken.

28.3.2 Engagement of legal firm on monthly retainer-ship basis:

The Authority noted that Kandla SEZ is having a lot of court cases. The proposal to engage a legal firm having sufficient experience in the matters relating to land issues, DRT, BIFR, AAIFR related matters, Foreign Trade Policy and SEZ Act/Rules, etc. on the lines of arrangement done by NOIDA SEZ Authority was discussed. After deliberation it was decided that we may also pay a monthly retainership fee of Rs.30,000/- to the firm selected and in addition to payment to be made to them for defending Authority's cases as per rates fixed by Department of Legal Affairs. It was also decided to call for Expression of Interest from the legal firms having 5 years experience with following conditions:-

1. The firm shall provide necessary legal service of all nature in consonance with the business of KASEZ.
2. The services to be performed shall comprise of general and commercial advice, legal opinion and advice rendered to the Authority including review of all relevant agreements, documents, preparing Affidavits and presenting of Cases before various courts across the country.
3. The firm shall go through the files of the Authority involving legal issues and shall ensure saving of interest of the Authority.
4. The firm shall be entitled for TA/DA & appearance charges except in cases of High Court, Supreme Court and CAT, as fixed by Ministry of Law from time to time on case to case basis.

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5. For cases in High Court, Supreme Court and CAT, they will provide legal advisory services within the retainer-ship for which no fee will be payable separately.
6. The firm shall hold all information concerning the business in confidence and shall not disclose without prior consent of the CEO of the Authority/DC.
7. Representative of firm shall visit the SEZ office twice in a week compulsorily for perusal of files, preparing legal opinion, counter affidavits, suits, etc. for which the Authority shall pay monthly retainer ship of Rs.30,000/-.
8. The Law firm will also be liable to attend the office as and when requested by the Authority for which a sum of Rs.1,500/- per visit will be paid. This fee will be paid for additional days, viz., for days visited in addition to prescribed two days.

28.3.3 Charging of new rent where no lease deed is executed:

- (1) The Authority deliberated on the agenda in detail. It was informed that in the renewal of lease deed cases, the renewal of lease is done at a higher rent based on the following formula.

“Five time of the rent at the time of expiry of the lease or 50% of the lease rent as applicable at that time, whichever is higher, as fixed by the Authority. This will be further subject to the following two conditions:-

- (a) Lease rent so increased is not more than $2/3^{\text{rd}}$ of the applicable lease rent at the relevant time as fixed by the Authority.
 - (b) This shall also be subject to the condition that there will be a minimum of increase of 25% in lease rent at the time of expiry of the lease further subject to the condition that it will not exceed the lease rent fixed by the Authority.
- (2) It was also informed that as there were many units in the Zone to execute the lease deed, a circular was issued on 12/8/2014 directing all the units in the Zone to execute the lease deed, if not already done, as a onetime dispensation within six months period which was extended by another six months period. It was mentioned in the circular that if they fail to submit registered lease deed within six month from the date of issue of the circular, KASEZAdministration may even refuse to enter into the lease deed after considering the reasons for delayed submission or charge the existing rent as prevalent at the time of execution of lease deed. It was also mentioned that a late fee as following shall be applicable:-

For Plots:

Area of the plot in sq.mtr x Rs.10 x No.of com, pleted years by which delay has occurred after issue of the allotment order.

For Sheds:

Built-up area of the shed in sq.mtr x Rs.10 x No.of com, pleted years by which delay has occurred after issue of the allotment order.



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- (3) The Authority was also informed that an exercise has been carried out by the office to identify the units which have not executed the lease deed or whose lease period has been expired and a decision has been taken on file, as under, apart from the penalty as referred to in the circular dated 12/08/2014:-
- (a) In respect of the units whose lease deed are expired in 2012 and after 2012, we may consider renewal of their lease for further 15 years from the date of expiry on fixation of rent as per the formula recommended by the Committee and approved in the 16th Kandla SEZ Authority meeting.
- (b) In other cases whose lease had expired in 2007, 2008, etc. we may renew their cases for a terms of 15 years from the date of expiry of lease. However, the lease rent will be revised w.e.f. 2012 as per the formula prescribed by the Committee and approved in the 16th Kandla SEZ Authority meeting.
- (4) There is another type of category where lease deed has not been entered into ab-initio. A decision was taken that when the unit has not executed the lease, prevalent rent may be charged. Accordingly, the units were asked to execute the lease by calculating their rent w.e.f. 1/1/2012 as per the above formula for renewal of lease. In this case lease is being renewed w.e.f. 1/1/2016. Penalty is also being imposed on such units. Interest is also being charged on dues. Units have been raising their concern during discussions over interest and heavy charges. In certain cases, allotment period as per allotment order has not still expired while in other cases allotment period has expired.

Units' argument is that they were making the lease rent as per the information provided by the office from time to time and suddenly asking the unit to pay a huge amount due to renewal of lease that too with interest. Their request is not to charge the interest retrospectively and they may be informed of the due amount without interest and time may be given for making the payment. In case allotment order is valid, charging prevalent rent has also been questioned.

It was informed that due to not executing lease deed in respect of about a 15 to 16 units with multiple allotments, we had increased their rent w.e.f. 1/1/2012 as per the formula fixed for renewal of lease rent and w.e.f. 1/1/2016 the rent prevalent on that date was charged apart from increasing their rent by 10% annually w.e.f. 1/1/2012. The members opined that there may be no consensus on the point of interest as it was duty of the Unit also to know status of their lease deeds and further the units have utilized the amount which was to be paid as rent. However, on the issue of charging new rent w.e.f. 1/1/2016 the Authority felt it may not be charged once the rent has been raised w.e.f. 1/1/2012 with 10% increase every year and take new lease deed as commencing from 01/01/2012. The Committee felt that henceforth amount of penalty may be doubled.

28.3.4 Engagement of Law Officer:

The Authority deliberated on this issue. It was felt that engagement of Legal firm on a monthly retainer-ship basis will take some time to appoint such a firm. Further the duties of Law Officer are very important as the incumbent has to keep a track on all legal matters, and has to timely follow up with the Govt. Counsels. Therefore, the Authority decided to extend the contract of Law Officer Ms. Winny Chand for a further period of six months from

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1/7/2017. It was also decided to enhance her consolidated monthly payment by 10%. Accordingly, her increased consolidated monthly payment w.e.f. 01/07/2017 will be Rs.44,000/-. Meanwhile a decision is required to settle the issue of contract period also. Secretary may prepare a proposal for future discussions.

General issues:

(a) Water Supply:

PM, NBCC stated that many units are installing Kranti Water meter, which gets damaged and no proper reading is shown. He stated that as per his discussions with GWSSB, they have suggested to replace these meters with Itron meters, which is approved by GWSSB. Approximate cost per meter is stated to be Rs.8,000/-. He stated that there are about 250 consumers and if we consider to replace it by ourselves, approximate cost will be Rs.20.00 lakhs which needs to be recovered from the consumers. PM, NBCC stated that if such meters are installed, there will be no reverse reading. For better water billing, PM, NBCC suggested to install Itron water meter by Authority and recover the cost from the unit.

It was decided to replace the water meter by Authority and recover the cost of the meter from the consumers in 10 equal installments. A circular may be issued to all the consumers about this decision.

(b) Damage of computer/camera, etc. at check-post due to lightning.

Security Officer, KASEZ reported that due to a lightning on 9/6/2017, following instruments have been damaged beyond repairing:-

Sr.No.	Name	Quantity
1	24 Port POE Manage Switch	03 Nos.
2	08 Port POE Switch	02 Nos.
3	Hickwision Camera	08 Nos.
4	LG make IP Camera	02 Nos.
5	POE Adaptors	08 Nos.
6	DC 12 Valt Adaptors	02 Nos.
7	Media Convertor	02 Nos.
8	UPS (Main)	01 No.
9	Recording server (old)	01 No.
10	Striming main server (old)	02 Nos.
11	Wireless device	06 pair

Approximate cost of these damaged items was stated to be Rs.5.07 lakhs.

Security Officer informed that due to this, entire monitoring work at check-post on the security point of view has come to standstill and requested that the above items may be replaced at the earliest on a war-footing basis.



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After deliberations, PM, NBCC was asked to take immediate action to replace the above damaged itmes at the earliest possible under maintenance head within the overall sanctioned amount considering it as an emergency requirement.

(3) Traffic problem:

Mr. Sudesh Zingde raised concern over the traffic problem at gate. He stated that the vehicles have to wait for a long time for entry inside the zone and many of the truck operators are not intended to provide their services to the Zone units. The Chairman informed that already a proposal has been sent to DoC for an additional gate for movement of men and personnel/small vehicles such as Car/Autos etc. Mr. Sudesh Zingde informed that alternatively we may consider construction of an underpass. PM, NBCC was asked to give a proposal for an underpass which will terminate at KASEZ Gate.

The meeting ended with thanks to all present.



(Upendra Vasishth)
Chairman,
Kandla SEZ Authority.
