CHAPTER – 6

Study of Selected Institutions

6.1 ADANI PORT AND SPECIAL ECONOMIC ZONE LTD.

6.1.1 Company History

APSEZ was incorporated as Gujarat Adani Port Limited on May 26, 1998, and commenced phased operations at Mundra Port in October 1998 with commercial operations beginning in October 2001. APSEZ was initially promoted by Adani Port Limited and Gujarat Port Infrastructure Development Company Limited, an undertaking of the Government of Gujarat.

APSEZ entered into a Concession Agreement with the GMB and the Government of Gujarat on February 17, 2001 pursuant to which APSEZ has been granted the right to develop and operate Mundra Port located at the Navinal Island in the Kutch region for a period of 30 years.
Pursuant to an order of the High Court of Gujarat, Adani Port Limited merged with APSEZ with effect from April 1, 2003. Further, MSEZ and ACL were merged with APSEZ with effect from April 1, 2006.

APSEZ received approval as a developer of a multi-product SEZ at Mundra and the surrounding areas from the Government of India on April 12, 2006. APSEZ has already received notification from the Government of India with respect to land covering 2,406.8 hectares (approximately 5,947 acres) on June 23, 2006. On July 3, 2007, APSEZ received a subsequent notification with respect to an additional 251.4 hectares of land, resulting in a total of 2,658.2 hectares (approximately 6,568 acres). Such notification is granted only once land is in the possession of a developer, and as APSEZ further acquire land in and around Mundra, APSEZ will look to receive additional notifications in relation to such further acquired land.

In order to reflect the significance of the SEZ status and the changing nature of our business, APSEZ changed name from Gujarat Adani Port Limited to Mundra Port and Special Economic Zone Limited with effect from July 7, 2006.

**6.1.2 About the Adani Port**

Adani Ports and Special Economic Zone Ltd (APSEZ) is part of Adani Group – a $9.4 billion conglomerate with businesses spanning coal trading, coal mining, oil and gas exploration, ports, multi-modal logistics, power generation & transmission and gas distribution.
APSEZ represents a large network of ports with India’s largest Special Economic Zone (SEZ) at Mundra. APSEZ Port Business is integral to its Logistics Business done in the name of Adani Logistics Ltd. and is India’s largest private port operator with presence across 8 locations with state of the art infrastructure.

Mundra Port, located in the Kachchh district of Gujarat state is the largest among all ports of APSEZ and acts as a gateway for north-western India.

APSEZ with a total cargo throughput of 127 MMT in 2013-14 is poised to exceed 200 MMT of cargo by 2020.

6.1.3 About the Location of Mundra Port

Adani Ports and Special Economic Zone Limited (APSEZ) is located in the Gulf of Kutch on the west coast of India (Latitude: 22° 43’ 88’ N; Longitude: 69° 42’ 34’ E), situated 60 km west of Gandhidham in Kutch district of Gujarat.

APSEZ is ideal for global trade due to multiple benefits. It situated enroute most international shipping destinations. The gulf acts as a natural shelter for the port, facilitating 24x7 safe berthing, unberthing and vessel operations. The port also provides a distance advantage to the northern and western hinterland of India vis-a-vis other ports. This makes it the natural gateway for the cargo hubs functioning in the northern and western states of India as well as the NCR.
6.1.4 Port Connectivity

- **Rail Connectivity:**

APSEZ is connected with the Indian Railway network by a privately developed and maintained 76-km rail line. The railway line connects multipurpose terminals, Container Terminals - CT-I, CT-II, South Basin and West Basin, the dedicated Coal import terminal of Mundra Port to the nearest Indian Railways railhead at Adipur. Adani Ports and SEZ Ltd, Mundra has completed doubling of Mundra Port - Adipur railway line in November 2012. The line has an increased capacity to handle rake movement of 80 trains to and from Mundra Port.

APSEZ is connected to the Northern & Western states and NCR through the Palanpur route and rest of the hinterland by Ahmedabad route. The rail infrastructure has capacity to handle double stack container trains from Mundra to Kishangarh, Rajansthan / Patli.

The Port has Long Loop line station to form and accommodate Long Haul train (two trains of 660 meters each joined together). This is the only port in Western Railway which is having dedicated Long Haul formation line. Running Long haul trains further increases train movement capacity of Mundra from 80 to 100 trains per day.

- **Road Connectivity:**

ASPEZ is connected to the National Road network by NH-8A Extension and state highways SH6 & SH 48. Broad four-lane roads ensure efficient movement of road traffic to and from the port. Four-lane Rail-over-Bridge in the SEZ Area of port ensures that the various modes of transportation do not impede each other’s movement.
• **Air Connectivity:**

APSEZ has its own Airport at the approximate distance of 14.5 Kms. from the main port location. It is a licensed airport in ‘Private Category’ with Air Traffic Control (ATC) operated by the Airports Authority of India (AAI). The nearest commercial airports are Bhuj (65 km) and Kandla (60 km).

The APSEZL airport has potential to develop commercial modern state-of-the-art international airport capable of serving requirements of cargo hub centre, MRO facilities, passenger/baggage handling facility, fuel refilling, aprons, hangers for various kind of aircrafts etc.

• **Pipeline Connectivity:**

Pipelines have been installed inside and outside the port for transportation of liquid cargo. Mundra is a port of choice for crude and other liquid cargo bound for the northern hinterland. Pipelines have been laid connecting APSEZ with refineries located in Panipat and Bhatinda.

### 6.1.5 Mundra SEZ Introduction

Mundra Special Economic Zone (Mundra SEZ) is located on the western coast of India in the Gulf of Kachchh, within the vibrant state of Gujarat. Mundra Port is the gateway for cargo to the Northern hinterland and Mundra SEZ is the gateway for the Indian exports.

Mundra SEZ is India's largest notified, operational multi-product SEZ with state-of-the-art infrastructure and is planned to be spread over 15,000 Ha. Currently notified multi-product SEZs are spread over an area of 6473 Ha. The zone also has in addition a Free Trade and Warehousing Zone (FTWZ) spread
over 168 Ha. Leveraging the advantage of the robust port infrastructure, Mundra SEZ offers the best investment opportunity for diversified industries.

Mundra SEZ can offer developed industrial clusters for small/medium projects as well as facilitate the mega projects with the desired land parcel, along with an excellent logistic connectivity, power reliability and other utilities.

Infrastructure being the key to the SEZ development, emphasis has been to develop / augment core infrastructure facilities to attract investments.

**Special features of Mundra SEZ are:**

- India's Largest, Port based, Notified and Functional, Multi-product SEZ
- An integrated self sustained zone with modern infrastructure and facilities
- Mundra SEZ's multi-modal connectivity offers competitive logistic advantage with:
  - In-zone Multi-purpose Port with Container Terminals
    - Fully mechanized efficient port with one of the lowest turnaround time in India.
  - In-zone Road & Rail connectivity:
    - Well connected with National & State Highways
    - 64 Kms Private Rail line connects Mundra to National Railway Network at Adipur near Gandhidham, Kutch
    - 210 kms rail network within the Zone
  - In-zone private Airstrip.
    - Proposed International Air Cargo Hub
- Integrated Infrastructure and Utilities.
• Well developed commercial & social infrastructure for Living, Learning, Healthcare and Recreations.

6.1.6 Fiscal Advantages

Units located in SEZs get a host of fiscal advantages over those located in domestic area. The SEZ Policy of the Government of India lays down a number of financial benefits for manufacturing units in the SEZ.

The present advantages include:

• Direct Tax Benefits – Income Tax on export profit
  o 100% exemption for the first 5 years
  o 50% exemption for the sixth to tenth (next 5) years
  o 50% exemption on the ploughed back profits, for an additional 5 years, after ten years

• Indirect Tax Benefits - Perennial exemption in all taxes including
  o Excise Duty
  o Custom Duty
  o Service Tax
  o Value Added Tax (VAT)
  o Stamp Duty / Lease Tax
  o Entry Tax and various other State levies that would otherwise be applicable on operations

• Domestic Tariff Area (DTA) supplier is eligible for export benefits on SEZ sales making the sourcing cost competitive.
• External Commercial Borrowings upto US $ 500 Million without any specific approvals. Cost competitive financing can be availed from Offshore Banking Units (OBUs).

• Benefits from Gujarat State Government

• VAT – Zero Rate Procurement

• Exemption from Stamp duty and Registration fees on lease of land / mortgage deed.

• Exemption from Electricity Duty for 10 years from the date of operation

Operational Advantages

SEZs offer a host of benefits that facilitate operations for in-zone industrial units. Besides the Government of India benefits, the Gujarat State government has also designed a policy that offers added incentives to the SEZ industrial units. The SEZ provides excellent flexibility through:

• Single Window Clearance for statutory requirements

• Waiver of routine Customs examination of imports and exports

• Clearance of Export consignments on self-certification

• 100% FDI permitted through the automatic approval route except the negative list

• Relaxed labour policy specifically for SEZ units (as per Gujarat State Labour policy for SEZ)

• Freedom to realise and repatriate export proceeds within 12 months

• No limit on quantum of DTA sales

• Foreign investments allowed for items generally reserved for the Small Scale sector
Contract manufacturing permitted with units outside the SEZ or in other SEZs

6.1.7 Facilities and Utilities

6.1.7.1 Land
Out of the 15,000 Ha planned expanse of Mundra Special Economic Zone presently, two notified multi-product SEZs spread over an area of 6473 Ha respectively and a Free Trade and Warehousing Zone (FTWZ) spread over an area of 168 Ha is developed. Mundra SEZs allow flexibility to industries in deciding plot size as per the respective project requirements.

6.1.7.2 Internal Roads
Elaborate road network within Mundra SEZ has been designed for heavy freight movement, with an objective to provide smooth access to the port, processing zone, non-processing zone, commercial, warehousing zone and potential growth regions. As per the proposed development plan, a road network with high level of services has been developed in the east-west and north-south directions.

- All roads in the zone are designed as per IRC Standard codes and safety norms,
- 130 kms of road length comprising of arterial, sub-arterial and internal is built within the SEZ with additional 20 kms to be developed.
6.1.7.3 Power

India's largest single location Power Plant is an integral part of Mundra SEZ.

- Generating capacity of 4620 MW
- Reliable power through ring main unit is made available at competitive rates to the units within Mundra SEZ
- APSEZ Utilities Pvt. Ltd. (MUPL) is the deemed distribution licensee for power distribution within the zone
- Sub-stations developed at various strategic locations within Mundra SEZ
- Power can be supplied at different voltages ranging from 220 Kv / 66 Kv / 33 Kv / 11 Kv to the units in the zone.
- 33 Kv / 11 Kv supply in the zone is through underground cable network

6.1.7.4 Water

Mundra SEZ has a comprehensive water management system including water desalination plant, water distribution network, etc.

- 200 MLD Desalination Plants planned within Mundra SEZ in a modular way
- 27 MLD desalination plants currently operational with additional 20 MLD to be added soon.
- 40 kms of water distribution network has been laid.

6.1.7.5 Gas

- Gas pipeline connectivity upto Mundra proposed by GSPC
- LNG Terminal planned at Mundra Port
6.1.7.6 Effluent Treatment

Common Effluent Treatment Plants (CETP) has been proposed at various locations of the zone in a modular way.

- Environment Clearance received for developing 17 MLD Common Effluent Treatment Plant (CEPT)
- 2.5 MLD CETP is operating as part of Phase – I development.

6.1.7.7 Business Support infrastructure and facilities

- Central Business District (CBD) for offices and other commercial activities ranging from International trading, insurance, logistic services, etc. planned and developed in phases.
- Nationalized and Private Sector Banks operating inside the SEZ.
- Post Office & Telephone Exchange available inside the SEZ
- Office of Development Commissioner and Customs’ functional in the zone.
### 6.1.8 Financial Performance of the Company

**Table No.: 6.1.8.1 Balance Sheet of Adani Ports and Special Economic Zone**

(Rs. In Crore)

<table>
<thead>
<tr>
<th>Sources of Funds</th>
<th>Mar ’15</th>
<th>Mar ’14</th>
<th>Mar ’13</th>
</tr>
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<tr>
<td>Total Share Capital</td>
<td>416.82</td>
<td>416.82</td>
<td>403.49</td>
</tr>
<tr>
<td>Equity Share Capital</td>
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<td>414.01</td>
<td>400.68</td>
</tr>
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<td>Share Application Money</td>
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<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Preference Share Capital</td>
<td>2.81</td>
<td>2.81</td>
<td>2.81</td>
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<tr>
<td>Reserves</td>
<td>10,786.34</td>
<td>8,919.07</td>
<td>6,300.48</td>
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<td><strong>Net worth</strong></td>
<td><strong>11,203.16</strong></td>
<td><strong>9,335.89</strong></td>
<td><strong>6,703.97</strong></td>
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<tr>
<td>Secured Loans</td>
<td>8,639.24</td>
<td>8,246.24</td>
<td>7,395.75</td>
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<tr>
<td>Unsecured Loans</td>
<td>1,164.75</td>
<td>20.53</td>
<td>403.56</td>
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<tr>
<td><strong>Total Debt</strong></td>
<td><strong>9,803.99</strong></td>
<td><strong>8,266.77</strong></td>
<td><strong>7,799.31</strong></td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>21,007.15</strong></td>
<td><strong>17,602.66</strong></td>
<td><strong>14,503.28</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Application Of Funds</th>
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<th></th>
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<tr>
<td>Gross Block</td>
<td>11,263.26</td>
<td>10,753.96</td>
<td>9,484.41</td>
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<tr>
<td>Less: Revaluation Reserves</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Less: Accumulated Depreciation</td>
<td>2,801.34</td>
<td>2,216.72</td>
<td>1,715.99</td>
</tr>
<tr>
<td><strong>Net Block</strong></td>
<td><strong>8,461.92</strong></td>
<td><strong>8,537.24</strong></td>
<td><strong>7,768.42</strong></td>
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<tr>
<td>Capital Work in Progress</td>
<td>663.19</td>
<td>661.49</td>
<td>2,145.07</td>
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<td><strong>Investments</strong></td>
<td><strong>4,965.15</strong></td>
<td><strong>1,786.26</strong></td>
<td><strong>1,327.30</strong></td>
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<td>Inventories</td>
<td>179.46</td>
<td>143.03</td>
<td>87.29</td>
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<td>Sundry Debtors</td>
<td>748.98</td>
<td>829.42</td>
<td>729.43</td>
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<tr>
<td>Cash and Bank Balance</td>
<td>495.83</td>
<td>399.83</td>
<td>593.59</td>
</tr>
<tr>
<td>Total Current Assets</td>
<td>1,424.27</td>
<td>1,372.28</td>
<td>1,410.31</td>
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<tr>
<td>Loans and Advances</td>
<td>10,292.57</td>
<td>8,547.11</td>
<td>5,604.19</td>
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<tr>
<td>Fixed Deposits</td>
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<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Total CA, Loans &amp; Advances</td>
<td>11,716.84</td>
<td>9,919.39</td>
<td>7,014.50</td>
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<tr>
<td>Deferred Credit</td>
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<td>0.00</td>
<td>0.00</td>
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<tr>
<td>Current Liabilities</td>
<td>4,132.21</td>
<td>2,716.54</td>
<td>3,406.59</td>
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<tr>
<td>Provisions</td>
<td>667.74</td>
<td>585.18</td>
<td>345.42</td>
</tr>
<tr>
<td>Total CL &amp; Provisions</td>
<td>4,799.95</td>
<td>3,301.72</td>
<td>3,752.01</td>
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<tr>
<td><strong>Net Current Assets</strong></td>
<td><strong>6,916.89</strong></td>
<td><strong>6,617.67</strong></td>
<td><strong>3,262.49</strong></td>
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<tr>
<td>Miscellaneous Expenses</td>
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<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>21,007.15</strong></td>
<td><strong>17,602.66</strong></td>
<td><strong>14,503.28</strong></td>
</tr>
<tr>
<td>Contingent Liabilities</td>
<td>3,850.61</td>
<td>1,793.49</td>
<td>5,985.49</td>
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<tr>
<td>Book Value (Rs)</td>
<td>54.11</td>
<td>45.09</td>
<td>33.45</td>
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</tbody>
</table>
### Table No.: 6.1.8.2 Profit & Loss account of Adani Ports and Special Economic Zone (Rs. In Crore)

<table>
<thead>
<tr>
<th>Income</th>
<th>Mar '15</th>
<th>Mar '14</th>
<th>Mar '13</th>
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</thead>
<tbody>
<tr>
<td>Sales Turnover</td>
<td>3,909.36</td>
<td>4,345.78</td>
<td>3,361.05</td>
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<tr>
<td>Excise Duty</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Net Sales</td>
<td>3,909.36</td>
<td>4,345.78</td>
<td>3,361.05</td>
</tr>
<tr>
<td>Other Income</td>
<td>738.16</td>
<td>679.75</td>
<td>203.24</td>
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<tr>
<td>Stock Adjustments</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td><strong>4,647.52</strong></td>
<td><strong>5,025.53</strong></td>
<td><strong>3,564.29</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditure</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Raw Materials</td>
<td>89.34</td>
<td>86.45</td>
<td>46.78</td>
</tr>
<tr>
<td>Power &amp; Fuel Cost</td>
<td>135.98</td>
<td>120.64</td>
<td>102.55</td>
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<tr>
<td>Employee Cost</td>
<td>157.56</td>
<td>117.00</td>
<td>104.38</td>
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<tr>
<td>Other Manufacturing Expenses</td>
<td>660.22</td>
<td>1,068.17</td>
<td>499.45</td>
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<tr>
<td>Selling and Admin Expenses</td>
<td>0.00</td>
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<td>0.00</td>
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<tr>
<td>Miscellaneous Expenses</td>
<td>258.84</td>
<td>213.45</td>
<td>137.66</td>
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<td>Preoperative Exp Capitalized</td>
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<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>1,301.94</strong></td>
<td><strong>1,605.71</strong></td>
<td><strong>890.82</strong></td>
</tr>
</tbody>
</table>

| **Operating Profit**            | 2,607.42   | 2,740.07   | 2,470.23   |
| PBDIT                           | 3,345.58   | 3,419.82   | 2,673.47   |
| Interest                        | 708.79     | 753.86     | 441.90     |
| PBDT                            | 2,636.79   | 2,665.96   | 2,231.57   |
| Depreciation                    | 488.62     | 455.71     | 342.38     |
| Other Written Off               | 0.00       | 0.00       | 0.00       |
| Profit Before Tax               | 2,148.17   | 2,210.25   | 1,889.19   |
| Extra-ordinary items            | 0.00       | 0.00       | 0.00       |
| PBT (Post Extra-ordinary Items) | 2,148.17   | 2,210.25   | 1,889.19   |
| Tax                             | -34.97     | 194.08     | 135.01     |

| **Reported Net Profit**         | **2,183.14**| **2,016.17**| **1,754.18**|
| Total Value Addition            | 1,212.60    | 1,519.26    | 844.04     |
| Preference Dividend             | 0.00        | 0.00        | 0.00       |
| Equity Dividend                 | 227.71      | 213.67      | 200.34     |
| Corporate Dividend Tax          | 46.36       | 36.31       | 34.05      |

| **Per share data (annualized)** |            |            |            |
| Shares in issue (lakhs)         | 20,700.52   | 20,700.52   | 20,033.94   |
| **Earning Per Share (Rs)**      | **10.55**   | **9.74**    | **8.76**    |
| Equity Dividend (%)             | 55.00       | 50.00       | 50.00       |
| Book Value (Rs)                 | 54.11       | 45.09       | 33.45       |
6.1.9 Our observation on financial parameters

- This is the only listed company of the Adani group where total debt of Rs. 9,804 Crore is very reasonable (46.7%) in respect to the total liability of Rs. 21,007 Crore.
- The growth of entire Adani group is based on the port operations and Mundra port is main source of income of Adani group.
- Net profit of Rs. 2,183 Crore for the year 2014-15 is backbone support of the entire group where another listed companies of the group are struggling for the survival.
- There is a continuous upgradation of port and related infrastructure facilities which can be seen from the every tear addition to the gross block of fixed assets of the company.

6.2 FEDERATION OF KUTCH INDUSTRIES ASSOCIATION (FOKIA)

6.2.1 About FOKIA

Federation of Kutch Industries Associations (FOKIA) is an umbrella organization of small, medium and large scale industries and associations, established in year 2000 (pre earthquake). FOKIA is mainly dealing in policy related issues of industrial units in Kutch, working 360 degree development of the district, through industrial development. It is a section 25 company, incorporated under The Companies Law, vide registration letter dated 14th May, 2008. FOKIA is representing an investment of INR 70,000 (seventy thousand Crore) in the region, covering wide range of following industrial segment-
1. Sea port infrastructure - (Adani Ports and Special Economic Zone Ltd. and Kandla Port Trust)
2. Fertilizer - (IFFCO)
3. Plastic, FMCG products toiletry - (Johnson &Johnson, Lux, Lifeboy, Anchor tooth paste)
4. CFL - (Oreva and Anchor- Panasonic)
5. Biscuits - (Parle-G)
7. Edible oil - (Fortune, Gokul, Mahakosh, Nature Fresh, Dalda)
8. Ply and veneer - (Century Plyboards (I) Ltd.)
9. Iodised free flow salt - (Ankur, Dandi)
10. Cement - (Sanghi, Ultratech)
12. Electrical power generation - (Adani Power Ltd., Tata power Company, Suzlon Energy Ltd., Solaris Chemtech Industries Limited)
13. Commercial vehicles - (AMW Motors Ltd.)
14. Rubber tyer manufacturing - (Balkrishna Tyre- Balkrishna Industries Limited.)
16. Marine chemicals - (Agrocell ltd, Solaris Chemtech Ltd, Archean Chemicals Ltd.)
17. Textiles - (Well home, Garden) etc.
6.2.2 About the milestone of FOKIA

FOKIA successfully represented to central and state government in year 2001 (post earth quake) for fiscal incentives to the industries coming in the area, for the economy rejuvenation of this earth quake ravaged region. These fiscal incentives for new units proved a game changer in the industrial development of the district. FOKIA successfully represented various policy related issues of central excise and customs and reduced the hardships faced by trade and industries in the region.

FOKIA’s efforts for finding a sustainable solution for providing water to Kutch industries were acknowledged by state government and it initiated the process of establishing sea water distillation plant. FOKIA educated its member units through various seminars on importance of establishing multiple source of water for their industrial units. FOKIA amicably resolved various operational issues with Gujarat Water Infrastructure Ltd (GWIL), for supply of water to industries.

FOKIA successfully represented to Gujarat Energy Regulatory Commission (GERC) for issuance of directives to state electrical distribution companies (PGVCL, DGVCL, MGVCL, and UGVCL) regarding furnishing of bank guarantee, instead of cash payment towards security deposit for HT industrial consumers. This resulted in reduction of capital burden for new projects. FOKIA also filed various petitions in GERC for smooth implementation of open power access policy in Gujarat.

FOKIA has taken up the matter of expansion of Kandla airport with Airport Authority of India. FOKIA successfully represented to than Hon Rail minister Mr Dinesh Trivedi for sanction of double track between Samkhyali – Viramgam and Samkhyali Palanpur-Ajmer rail line. The gauge conversion of Bhuj –
Naliya line is of paramount importance for the existing and upcoming industries in western Kutch region. FOKIA held several round of meetings with The General manager, Western Railway, to expedite the execution of the said gauge conversion.

FOKIA held more than sixty seminars-workshops on subjects ranging from sea water distillation, water harvesting, recycling of sewage water, solid waste management, electrical safety and maintenance, open access power policy, VAT, central excise, customs and service tax, income tax, Company acquisition and mergers, Human resources, industry-academia relations, safety and health, skill development, Corporate Social Responsibility (CSR), innovations etc in association with firms like Ernst and Young India Pvt ltd, Swamy associate Chennai, IDE technologies Israel, Doshi Ion Pvt ltd, Subramanyam law firm, PKM advisory, Trivedi and Associates, Press council of Kutch, Kutch Development council, Kutch University, Kandla Port Trust, Government of Gujarat, Government of India.

In pursuance of these activities and with an intention to strengthen the activities in the region, FOKIA successfully conducted “Kutch Business Excellence Award” for various categories like economic growth, social growth and environmental conservation & protection, water harvesting, energy recycling etc. Ernst and Young P Ltd was the knowledge partner for the award scrutiny. The award ceremony was a grand affair, presided over by Hon Chief Minister of Gujarat, Smt Anandiben Patel, graced by Mr B K Goenka of welspun, Ms Preetiben Gautam Adani of Adani group, Mr Rajju Shroff of United Phosphrous Ltd and Mr Karshan Patel of Nirma and captains of the leading industrial groups of the district.
FOKIA has worked as knowledge partner with Kutch collectorate for preparing the coffee table book and audio visual presentation, highlighting present kutch industrial activities and in presenting Kutch as potential investment destination. FOKIA is also working as a knowledge partner for effective functioning of Industrial Promotion Cell (IPC) at Bhuj Kutch.

In near future, FOKIA is planning to establish one Industry Academia Forum at Bhuj, comprising of senior executives from various industrial units, senior faculty members from colleges and the students. The forum will work for sharpening of soft and hard skills of the students, to bridge the gap between industry and academia.

FOKIA played a role of catalyst and coordinator for the upcoming projects in the area, also interacted with state and central government for removing discrepancies in various rehabilitation and incentive packages. FOKIA was invited by Government of Gujarat, as partner in its newly launched company, Kutch Water Distribution Company, specially created to cater water requirement of Kutch industries, along with Gujarat Industrial Development Corporation, Gujarat Water Infrastructure Ltd and Gujarat Industrial Development Board, in 2006. FOKIA was invited by Indian Railway on its Ahmedabad division’s Division Railway User’s Consultative Committee for two years. FOKIA is a permanent invitee on Regional Advisory Committee of central excise Rajkot, since 2008. FOKIA has organized more than fifty (50) seminars on various subjects, ranging from electrical power, open access policy, excise-customs & service tax, safety health and environment, sea water distillation, recycling of sewage
water, water harvesting, solid waste management, and human resources development.

FOKIA successfully represented than Hon Railway minister Shri Dinesh Trivedi ji for doubling of Samkhyali – Viramgam rail track and Samkhyali-Palanpur-Ajmer rail track. Fokia also pursued the conversion of Bhuj –Naliya rail line to from narrow gauge to broad gauge.

FOKIA successfully represented to than Hon Chairman central excise and customs in the matter of grant of refund under rule (5) of CENVAT credit rules 2004.

FOKIA successfully represented to the Chairman excise and customs in the matter of reviewing stuffing/destuffing procedures for export containers under the facility notice no 01/2011, dated 09/06/2011, issued by Commissioner of Central excise Rajkot to impose new stuffing procedures to be implemented from 04/07/2011.

FOKIA is pursuing the expansion of Kandla airport with Airport Authority of India.

FOKIA initiated the process of establishing a tertiary level medical hospital in Kutch, with the help of industrial houses in the area, with a focus on strengthening the social infrastructure in the area. The project was brain child of Coastal Gujarat Power Ltd (A TATA power enterprise). The project is in conceptual stage.
FOKIA successfully represented to Gujarat Energy Regulatory Commission (GERC) to allow the high tension industrial consumers in Gujarat to furnish bank guarantee as security deposit, instead of hard cash, to reduce the capex burden of the industries. The GERC, vide notification no 5 of 2010 accepted the demand by FOKIA and this resulted in increasing the pace of industrialization in Gujarat.

FOKIA on numerous occasions raised issues related to open access power purchase policy, with GERC and helped the industries across the state to fight out the monopolistic approach of state government and their distribution companies.

FOKIA organized quarterly Corporate Social responsibility (CSR) meetings and encouraged the industries to channelize the activities and resources in right direction.

FOKIA organized first of its kind Kutch Business Excellence Award – 2013, covering various categories like investment excellence, HR initiatives etc, with Ernst and Young as knowledge and system partner. And Honorable C.M. of Gujarat was Chief Guest for the event.
6.3 GANDHIDHAM CHAMBER OF COMMERCE

6.3.1 About GCCI

The early post independence era of Kutch district has witnessed enormous changes in the political & socio-economic landscape. Things were not that much easy for the people in those days. The influx of people who migrated from Sindh & other parts (now in Pakistan) added with low infrastructural levels of resources, poor means of transport, lack of land connectivity with other parts of state, had made the things more difficult for the people of this area. The sea route used to be the only lifeline connecting Mumbai & parts of Saurashtra with Kutch.

The loss of port of Karachi to Pakistan needed a replacement to assume its role to serve the entire hinterland of Rajasthan, Haryana, Punjab, Jammu & Kashmir, Delhi and parts of Uttar Pradesh.

The port of Kandla was found to be the most suitable replacement for Karachi port. To ensure that everything goes well for the development of Kandla port, Government of India asked Railway Board to provide rail connectivity to Kandla port with parts of hinterland states.

The development of port of Kandla & Rail connectivity set the pace for economic developments into this area.

Since, Gandhidham is the nearest town to Kandla port, the business concentration in this area grew fast. Industries & business like Shipping, CHAs, Food grain, Seeds & Oils, transport and other ancillary industries were established and thus started the development process. The Gandhidham has a
cosmopolitan population from early days since it consisted of people from all parts of the Country.

With the commissioning of Bhildi-Kandla port Meter Gauge line, food grains, one of the major trades, which used to come through sea route earlier from Mumbai into Kutch, started coming in by rail. This gave boost to the food grain, Seeds & Oil industry in Kutch with main concentration in Gandhidhdam area.

By this time, the business & industry in the area had begun to take shape and had gained momentum. To maintain consistent growth of business & industry, few traders made a move to establish this pioneer organization – “The Gandhidhdam Chamber of Commerce & Industry” with the objective to serve the trade & society of Gandhidhdam-Kandla complex for its overall development. This laid the foundation for the growth of trade and society as well.

There are areas where the Chamber has significant contributions and done a lot to bring about the phenomenal changes and progress to this area. Some of these need mention and place in this commemorative to acknowledge the efforts done by this Chamber and its members.

6.3.2 Achievements

6.3.2.1 Port of Kandla (Kandla Port Trust)

The port of Kandla, playing the key role in development of this area and improvement of socio-economic growth, needed cohesiveness & better coordination with various agencies, especially with trade. The Gandhidhdam Chamber of Commerce & Industry, as one of the trustees of kandla Port trust, took up the lead role in providing the necessary support of trade in solving various issues of varied nature. The Gandhidhdam Chamber of Commerce & Industry has always come forward to join hands with Kandla Port Trust to
resolve any problem to keep the economy & industrial environment of the area live. The strong bond between KPT & Gandhidham Chamber of Commerce & Industry relations has been a key factor in maintaining healthy environment between KPT and trade for better growth.

6.3.2.2 Authorization from D.G.F.T.
Directorate General of Foreign Trade (D.G.F.T.) organization is an attached office of Ministry of Commerce and Industry and is headed by Director of Foreign Trade. D.G.F.T. is responsible for implementing the Foreign Trade Policy with the main objective of promoting India’s export. Every export consignment must be supported with the certificate of origin issued by the authorized person nominated by D.G.F.T. GCCI is the only authorized person of Kutch who can issue the certificate of origin in export consignment. Authority given by D.G.F.T. represents the high level of professionalization popularity and reputation of the organization within the district.

6.3.2.3 Kandla Special Economic Zone
The Gandhidham Chamber of Commerce & Industry played a key role in establishment of Kandla Special Economic Zone and is consistently encouraging new investments for export units to set in. The establishment of Kandla Special Economic Zone [as Kandla Free trade Zone] in 1965 gave a boost to industry; especially the export units got all encouragement for investments into the area. The prime objectives of setting up the Zone, was to create employment, earn foreign exchange and to generate traffic for the growing port of Kandla.

The KSEZ has set the trend for attracting more & more entrepreneurs into the area. With a view to encourage more investments, the Govt. has further liberalized the export policy for export units.
6.3.2.4 Broad Gauge Rail Connectivity

The Broad Gauge rail connectivity between Kandla & rest of the parts of country was badly needed to meet the increasing traffic demands. Because, the movements over Meter Gauge route had lots of problems like transshipments, low average speed, low throughput, high wagon turnaround time leading to poor availability of wagons etc. The Gandhidham Chamber of Commerce & Industry took the lead early connectivity and was able to get the Broad Gauge connectivity established in 1969 with rest of the country. This added a new chapter in the development of Kutch and Kandla port in particular.

Furthering the cause of progress, to keep pace with the growing needs of traffic and to make rail transport more economic, The Gandhidham Chamber of Commerce & Industry took up the matter of conversion of Meter Gauge line into Broad Gauge between Palanpur and Samakhiali section of about 247 Kms. It is pleasing to inform that the conversion work has commenced and the project is likely to be completed by 2005.

6.3.3 Members Strength

GCCl is the most professional non-commercial organization of the town. It has got a higher weightage to represent the strategic issues related to the promotion of the trade. Members of GCCl are coming from almost all area of manufacturing, trading and profession. Total strength of GCCl member is 2114.