

**MINUTES OF THE PRE-BID MEETING FOR E-TENDER CUM E-AUCTION FOR ALLOTMENT OF 26 NOS. OF PLOTS BETWEEN KANDLA AND VILLAGE JUNGI FOR PRODUCTION OF SALT ON 30 YEARS LEASE ON AS IS WHERE IS BASIS, HELD ON 28.12.2015 AT 11.30 HOURS AT BOARD ROOM, A.O. BUILDING, GANDHIDHAM.**

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**P-R-E-S-E-N-T**

<b><u>MANAGEMENT SIDE</u></b>		<b><u>PARTICIPATING BIDDERS</u></b>	
1	Shri B.H. Gehani, OSD (Estate)	1	Shri L.M. Prajapati
		2	Shri Ramesh Chaturani
		3	Shri Hardik Patel
		4	Shri Vikas Patel
		5	Shri Jitendra Jain, M/s. Kesri Salt Works
		6	Shri Kalpesh Awadia, M/s. K.R. Realty, Mumbai
		7	Shri Vijay Soni, M/s. Shree Kandla Salt Ind. Pvt. Ltd.
		8	Shri Mukesh B. Singhvi, M/s. Shree Jyoti Salt Industries
		9	Shri Rajaram Rathi, M/s. Shree Laxmi Salt & Allied Ind.
		10	Shri Shreechand Jain, M/s. Bhuvneshwari Salt Works
		11	Shri Manoj Jain, M/s. Kaushik Salt Traders
		12	Shri Hiren Mukesbhai Joshi
		13	Shri Aashish Joshi, M/s. Aashish Salt Ltd.
		14	Shri Bhachubhai Ahir, M/s. Kutch Small Scale Salt Mfg. Asso.
		15	Shri Jagdish A. Pandya
		16	Shri Harish Thakker, M/s. Durga Salt Supply Co.
		17	Shri Dileepsinh N. Jadeja, M/s. MAA Namori Salt, Padana
		18	Shri Budhabhai Ahir

Initiating the discussions, OSD (Estate) informed that the present i.e. E-tender cum E-auction is for allotment of 26 Nos. of plots between Kandla and Village:Jungi for production of salt on 30 years lease on as is where is basis. Bidders were requested to ask their queries regarding the subject tender work, which will be recorded and the minutes thereof will be hoisted on the website of Kandla Port Trust and that will become part of the tender document. Further, all the bidders were requested to submit their queries in writing as well via email/letter by 17:00 hours on 28-12-2015.

**The queries raised by the prospective bidders and clarifications thereof are as under:-**

## - PAGE NO. 2 -

Sr. No.	Query	Clarification
1.	Basic rate fixed as annual lease rent per acre per annum is too high in comparison to rates of Gujarat Government and other States. Such a huge amount of rent for salt production is not economically viable. Request to fix reasonable annual rent accordingly.	<p>The Reserve Price is as per the rate approved by Tariff Authority for Major Ports, Mumbai, with annual 2% escalation applicable.</p> <p>The TAMP vide its order dated vide Order passed on 02-05-2016, has approved and Notified the lease rentals for salt lands of K.P.T. at <b><u>Rs.19,946.00</u></b> per acre per annum, which is effective from 05-07-2015 and valid upto 04-07-2020. The annual lease rent prescribed shall bear an escalation factor of 2% every year.</p> <p>Accordingly, the Reserve Price is now revised to <b><u>Rs.20344.92 per acre / per annum</u></b>, considering 2% annual escalation and the Revised Price Bid is uploaded alongwith the Pre-Bid Clarifications.</p>
2.	The tender clause of revision of annual rent by TAMP after each 5 years is not justifiable, as the bidders have to offer rates for a period of 30 years for which basic rate is already very high today. Further, annual escalation of 2% in lease rent is already applicable, the condition of revision of rates after every 5 years should be removed.	The Revision of rates after 5 years is as per the Land Policy Guidelines, 2014.
3.	Since the Kandla Port Trust has taken over salt land, the small scale manufacturers are unable to run their business, due to which it would not be easy for them to get Solvency Certificate from the Banks. If 2 years lease rent is kept as Security Deposit and 1 years rent is required to be paid in advance, there is no need of Bank Solvency Certificate.	Tender conditions holds good.
4.	Request to provide valuation details/report, of plots admg. 10 acres, done by Kandla Port Trust.	The Valuation Report has already provided to the parties, whose plots have been put on to E-Auction in this Tender.
5	This has reference to the updated value of existing assets in respect of serial No. 27 notified in the tender notice and corrigendum issued. We strongly object to such valuation and apprehend that this valuation is arrived at in an arbitrary manner with a view to favour vested interests and cause wrongful loss to us.	The Valuation of assets on the salt lands put E-Auction have been carried out by the Govt. Approved Valuer, which has been selected through E-Tender system.

**- PAGE NO. 3 -**

6	We have pointed out to your honor that we have added assets worth Rs.5.25 crores to the land leased to us. As per the land policy, Kandla Port Trust has to take into consideration value of such assets. Thus, we strongly believe that the valuation of Rs. 79,83,634.00 arrived at by Kandla Port Trust is ignoring the land policy framed by Central Govt. in this regard. If that is the case, Kandla Port Trust cannot go ahead with such valuation more particularly when various litigations touching the valuation aspect of land are pending before various honorable courts including Supreme Court of India.	The Valuation of assets on the salt lands put to E-Auction have been carried out by the Govt. Approved Valuer and there is no case pending in any court towards Valuation.
7	You are therefore requested to provide us the basis of valuation on which Kandla Port Trust has arrived at such value.	A copy of valuation report is provided to all ex-lessees.
8	In the meanwhile, till the issue regarding finalization of upset price for lease rental is fixed by the court of law where such matter is pending you are requested not to proceed ahead in arbitrary and illegal manner.	The TAMP vide Notification dated 02-05-2016, has approved the rates w.e.f. 05-07-2015 for the period of 05 years, with 2% annual escalation.
9	We request you to do the valuation of our land in accordance with the land policy formulated by the Central Govt. in this regard and till such correct valuation is arrived at in accordance with the policy above mentioned, you are requested not to put on auction our land.	Valuation is carried out as per provisions of Land Policy Guidelines.
10	From the last 3 to 4 years Infrastructure has not been done on the allotted Plots and land had become Non Agriculture, so at the time of Allotment of the plots will those Infrastructure facilities like electricity, water etc will be provided by KPT or it has to bear by Allottee?	The E-Auction of the land is on is as is where is basis. All the infrastructure facilities like electricity, water etc. are to be arranged by the successful bidder from statutory authorities of Govt. of Gujarat.
11	As it has been discussed in the pre bid meeting held on 28.12.2015 that KPT has appointed some valuer for valuation purpose and that valued amount KPT will recovered from <b>new bidder</b> and will give to <b>old lessee</b> , so we would like to say that why new bidder should bear such cost for those facilities which is not present physically at the time of Allotment of plots and benefits of the same will not be enjoyed by new bidder.	The E-Tender cum E-Auction of the land is as per the provisions of Amended Land Policy Guidelines, 2014, which has been adopted by the Kandla Port Trust vide Resolution No. 61 at Board Meeting held on 28-08-2015. Hence the Tender Conditions holds good. The facilities considered under valuation are available on each location.
12	As discussed in the pre bid meeting, TAMP will review after 5 years, then what is the meaning of 30 years lease?	The E-Tender cum E-Auction of the land is as per the provisions of Land Policy Guidelines, 2014, which provides for revision every five years.

## - PAGE NO. 4 -

13	The EMD fees should not be there as already bidder is giving 2 years security deposit plus 1 year advance to KPT.	<p>The Earnest Money Deposit is as per Land Policy Guidelines.</p> <p>The Earnest Money Deposit has now being revised due to change in the Reserve Price put to E-tender cum E-Auction as mentioned below.</p> <table border="1" data-bbox="852 524 1404 766"> <thead> <tr> <th>SR. NO.</th> <th>PLOT. NO. &amp; AREA</th> <th>REVISED E.M.D.</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>22 NOS. PLOTS OF 10 ACRES EACH</td> <td>RS.20400.00 FOR EACH PLOT</td> </tr> <tr> <td>2</td> <td>919.00 ACRES</td> <td>RS.18,70,000.00</td> </tr> <tr> <td>3</td> <td>300.00 ACRES</td> <td>RS.610,400.00</td> </tr> <tr> <td>4</td> <td>275.00 ACRES</td> <td>RS.559,500.00</td> </tr> <tr> <td>5</td> <td>1534 ACRES</td> <td>RS.31,21,000.00</td> </tr> </tbody> </table>	SR. NO.	PLOT. NO. & AREA	REVISED E.M.D.	1	22 NOS. PLOTS OF 10 ACRES EACH	RS.20400.00 FOR EACH PLOT	2	919.00 ACRES	RS.18,70,000.00	3	300.00 ACRES	RS.610,400.00	4	275.00 ACRES	RS.559,500.00	5	1534 ACRES	RS.31,21,000.00
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14	The amount of solvency certificate should be removed from the tender as KPT is already charging 2 years Security Deposit (+) 1 year Advance inspite of this if KPT wants to keep this for security purpose the amount of solvency certificate should be reduced.	<p>The Bank Solvency Certificate is required as per the CVC Guidelines and it is required for assessing the Financial Solvency of the firm.</p> <p>The Solvency Amount has now been revised due to change in the Reserve Price put to E-Tender cum E-Auction as mentioned below :</p> <table border="1" data-bbox="852 1061 1372 1451"> <thead> <tr> <th>SR. NO.</th> <th>PLOT. NO. &amp; AREA</th> <th>REVISED SOLVENCY</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>22 NOS. PLOTS OF 10 ACRES EACH</td> <td>RS.13.57 LAKHS FOR EACH PLOT.</td> </tr> <tr> <td>2</td> <td>919.00 ACRES</td> <td>RS.12.47 CRORES</td> </tr> <tr> <td>3</td> <td>300.00 ACRES</td> <td>RS.4.07 CRORES</td> </tr> <tr> <td>4</td> <td>275.00 ACRES</td> <td>RS.3.73 CRORES</td> </tr> <tr> <td>5</td> <td>1534 ACRES</td> <td>RS.20.81 CRORES</td> </tr> </tbody> </table>	SR. NO.	PLOT. NO. & AREA	REVISED SOLVENCY	1	22 NOS. PLOTS OF 10 ACRES EACH	RS.13.57 LAKHS FOR EACH PLOT.	2	919.00 ACRES	RS.12.47 CRORES	3	300.00 ACRES	RS.4.07 CRORES	4	275.00 ACRES	RS.3.73 CRORES	5	1534 ACRES	RS.20.81 CRORES
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15	What is applicable rate of Service Tax? 14.5% or different rate?	The Rate of Service Tax shall be applicable from time to time, as per the Service Tax Rules.																		
16.	Whether the ex-lessees will be allowed to participate in the E-Tendering, where there are outstanding dues against them.	All the ex-lessees will be eligible to participate in the E-tendering process only after clearing of all the outstanding dues, if any.																		
17.	Page No. 11 para 1.29 (e) : As per clause, the participants will be allowed to participate in the E auction process of any plot of the same size. Since this particularly relates to plots admeasuring 10 acres, it may please be clarified as to what is to be mentioned on page 15 under the column Plot Number. Can the bidder mention the same as "Any one plot admeasuring 10 acres instead of mentioning the specific number of the plot". WE may also please be clarified how the process of auctioning of the plots particularly 10 are plots will be proceeded with that is to say whether bidding for all such plots having the same area will be undertaken one by one or will be done simultaneously at the same time.	The Plot No. against which the bid is submitted is required to be mentioned. The auction for similar size plots will be undertaken one by one in descending order i.e. the plot for which highest rate is received will be taken up first.																		

## - PAGE NO. 5 -

18.	Page No. 12 Para 5 : Please advise whether the copy of Partnership deed/ Memorandum of Association etc. have to be self attested or Notarised.	Self attested by the authorized signatory.
19.	Page No. 13 : Para 9 : Bidders are required to submit financial statement for the past five years. Please clarify what will happen in case a firm/company has been established and is not old more than 5 years.	The financial statement is to be furnished for last 5 years as is available for firm/company.
20.	Page No. 13 : Para 10 : Regarding details of litigation, we shall be glad to know whether this refers to the litigation with KPT along or all sorts of litigation in which the bidder may be involved.	The details of litigation with KPT and others are required to be mentioned.
21.	Page No. 24 Para 4.17 : At the foot of this page a NOTE is appearing which refers to certain litigation pending on these lands against an asterisk mark. But there is no cross reference to the para against which this asterisk has been marked. Please clarify whether all the parcels are subject to litigation and if so the nature of litigation and the likely time it would take to resolve the matter. Considering the fact that litigation in Indian courts has been time consuming, this need to be considered and clarified because when the allotment process will not be undertaken until the disposal of the case what purpose would be served by inviting the bids and holding the E auction. The bidders would otherwise remain out of funds for an indefinite period of time.	The land will be allotted free from Litigation.
22.	Whether the Port Trust would issue a letter of Pre-acceptance and make a demand on the successful bidder for payment of lease rental, security deposit amount and value of existing assets, if any despite the matter being sub-judice. If so, whether the Letter of Allotment will also be issued to the successful bidder though no possession can be handed over due to litigation.	Pre – Acceptance Letter and Allotment Letter will be issued as per the Tender Conditions.
23.	Further, whether the Port will pay interest on the amount of lease rent and security deposit, amount deposited against value of existing assets that would be paid by the successful bidder to the Port Trust as per demand raised by the Port Trust.	No interest will be paid by KPT on lease rent, security deposit and amount depositing against value of existing assets.
24.	Page No. 25 para 4.20 : It is mentioned that “the allotment of land is for the purpose of production of salt. After evaluation of the technical bids and opening of price bid Kandla Port Trust will issue a Pre-acceptance letter to the successful Bidder(s)”. We however do not find any mention of E auction in the matter. The matter may please be clarified whether the Pre-acceptance letter will be issued by KPT after opening of technical bids and price bid.	The pre-acceptance letter will be issued to the successful bidder on completion of e-auction process and after obtaining approval of Board.

**- PAGE NO. 6 -**

25.	Page No. 26 Para 4.26 (A) : Various permissions /approvals have been mentioned in this para but we feel these do not apply to salt land under auction. Kindly clarify or amend the para suitably.	All necessary permissions/approvals as may be applicable will have to be obtained by the allottees.
26.	Annexure –A Page No. 31 : The sequence in which numbers of plots have been mentioned on this page is different from the sequence in which these plot Nos. are appearing on Page No. 3,4 and 12 of the Tender form If any specific reason due to which the sequence has been changed on page 31, the same may please be clarified.	The bidders are requested to check the Plot No. before filling up the online bid.
27.	Reserve price of Rs. 19946.00 per acre is too high in comparison to land allotted by State Government for same purpose i.e. for production of salt. Therefore, we request you kindly take-up the matter with Ministry of Shipping to reduce the rates of salt land to certain level, so that bidder can be in a viable situation to compete with other salt manufacturer using land allotted by State Government. As KPT has decided the rate only on higher side whereas so many aspects are given in Land policy, therefore, we request you to consider the weighted-average of all the aspects instead of taking rates on higher side.	<b>Already clarified at Sr. No.1.</b>
28.	Page No. 12 Para 4: Regarding Submission of Solvency Certificate of respective amount for the plot(s) is on very higher side. As EMD required by KPT is 10% of one year lease rent, similarly, we request you to kindly allow us to submit Solvency Certificate for value equal to EMD.	<b>Already Clarified at Sr. No.14.</b>
29.	While going through the Tender form, it was noticed that the date for submission of bids in On-line system has been mentioned as 30-12-2015 on page No. 22 of the Tender which is mentioned as 15-01-2016 on page No. 4.	The bidders are requested to regularly visit the KPT website and (n)code website for knowing any amendments, changes made in the tender, if any.
30.	Similarly, the date prescribed for submission of original Tender fee and EMD instrument has been mentioned as 05-01-2016 on page No. 8. However, this appears to be incorrect as the contents of point no. 4.8 on page no. 21 prescribed sending of these instruments so as to reach OSD (E) within 7 days of opening of the Tender which in this case is 15.01.2016. This may kindly be looked into and clarified.	The bidders are requested to regularly visit the KPT website and (n)code website for knowing any amendments, changes made in the tender, if any. However, in case of EMD in form of B.G., the same should be valid for a period of 6 months from the date of opening.
31.	While we are thankful to the Port Trust for having reduced the amount of EMD considerably, but the amount of Solvency required is quite high and considering the fact that salt is a low price commodity and it will be difficult for the interested bidders to obtain the Solvency certificate for such high values. This is particularly so in case of plots of bigger size and we feel that the value of Solvency certificate should have some relation to the overall stake which can be involved. As it is the land will be for farming of salt and as such the value of solvency certificate at such a high pitch is not called for.	<b>Already Clarified at Sr. No.14.</b>

**- PAGE NO. 7 -**

32.	<p>We would also be obliged to have your clarification as to the definition of "TRANSFER OF PLOT" advising us what sort of cases would be considered as Transfer under the New Land Policy Guidelines. To make our query straight and simple-worded, we are submitting a few hypothetical situations and would like to know whether these cases will be considered as transfer or merely the Lessee has to inform KPT within two calendar months from the respective dates of such changes as is being mentioned in the Lease Deeds being executed by KPT and the Lessees recently.</p>	<p>The transfer cases will be scrutinized, verified by our Legal Section and decided on case to case basis as per the prevailing rules.</p>
33	<p>CASE A : A company named 'ABC PVT. LTD.' is a lessee of certain land parcel having certain individuals as shareholders. The Lessee gets amalgamated/merged with another entity known as "C" Pvt. Ltd. and all its assets and liabilities thus now form part of the financial statement of "C" Pvt. Ltd. Hence the Company "ABC PVT. LTD." loses its entity due to its merger/amalgamation. Whether this will be considered as a case of transfer by KPT. Would it make any difference if the shareholders of ABC Pvt. Ltd. subsequent to merger with "C" Pvt. Ltd. have a controlling stake in the said Company.</p>	<p>All the cases will be scrutinized and verified by our Legal Section as per the prevailing rules.</p>
34.	<p>Case B : A company named 'ABC PVT. LTD.' is a lessee of certain land parcel having 4 individuals as shareholders. Two other companies viz. "X" Pvt. Ltd "Y" Pvt. Ltd. are taken over by the Lessee 'ABC PVT. LTD.' On amalgamation/merger all assets and liabilities of X &amp; Y now form part of the financial statement of "ABC PVT. LTD.". By virtue of change in shareholding of various existing shareholders of ABC Pvt. Ltd. undergoes a change but the earlier 4 shareholders continue to have sufficient shareholding to have controlling interest in the Company and do not get reduced to minority shareholding consequent upon change in constitution, whether this would be considered as a case of Transfer ?</p>	<p>All the cases will be scrutinized and verified by our Legal Section as per the prevailing rules.</p>
35.	<p>In another scenario, what happens if consequent upon merger of the other two companies with the Lessee company, the holdings of shareholders of the Lessee is reduced such that they are not having majority shareholding and thus have no controlling interest which is now acquired by the shareholders of the two other companies which merged into the Lessee Company. Whether this would be construed as a case of transfer and be subject to levying of transfer fee by KPT.</p>	<p>All the cases will be scrutinized and verified by our Legal Section as per the prevailing rules.</p>

**- PAGE NO. 8 -**

36.	Case C : In case of a partnership firm/company, due to demise of a partner/director, the constitution of the firm/company undergoes a change and new partners/directors are inducted into the firm/company with the consent of remaining partners/passing of a Resolution by the Board of the Company. Presuming that his capital and profit sharing ratio/shareholding is passed on to his heirs and there is no other change in the firm /company except the inclusion of heirs in the firm/company , would it be considered a simple change in constitution of the firm/company or will it be treated as transfer of Lease. To add further complexity to this query and to avoid any ambiguity at a future date, what would happen in case the deceased partner's/director's share in the firm was more than 50% or less than 50%.	All the cases will be scrutinized and verified by our Legal Section as per the prevailing rules.
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The meeting ended with a vote of thanks to the Chair.

**Sd/-**  
**(B.H.Gehani)**  
**O.S.D.(Estate)**

**Sd/-**  
**(A.Krishnan)**  
**Dy.C.A.O.**

**Sd/-**  
**(P. Ashokraj)**  
**Dy. Chief Engineer**

**Sd/-**  
**(Mukesh Balani)**  
**Traffic Manager**

**Sd/-**  
**(D.N.Sondhi)**  
**FA & CAO**

**Sd/-**  
**(R. Murugadoss)**  
**Chief Engineer &**  
**HOD (I/c) Estate**