

Mudra sez college essay



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Submitted by:- Executive Summary Special Economic Zones (SEZs) were established in many countries as testing grounds for implementation of liberal market economy principles. SEZs are viewed as instruments enhancing the acceptability and credibility of transformation policies, attracting domestic and foreign investment and also for the opening upon the economy.

SEZs in India seek to promote the value addition component in exports, generate employment as well as mobilize foreign exchange. Globally, many countries initiated Free Trade Agreements (FTAs) which eventually led to a spurt in investments in infrastructure developments for Free Trade Zones (FTZs) and SEZs. A close examination of the evolution of SEZs in countries with similar economies as India eg; China, Iran, UAE and Jordan, will help us to understand their success stories and thereby implement those factors, in order to curb the SEZ bottlenecks faced by India today. The Shenzhen SEZ in China is a perfect example of a SEZ success story. In India, the government has been proactive in the development of SEZs.

They have formulated policies, reviewed them occasionally and also ensured that ample facilities are provided to the SEZ developers as well as the companies setting up units in SEZs. These favorable conditions resulted in the biggest ever corporate rush for the development of SEZs in India. Over 234 companies received formal approval, 162 companies received in-principle approval and 100 companies received notification to set up SEZs. The Indian government is expecting an investment to the tune of Rs. 53, 561 crore (USD 13274 million) and an additional job creation for 15, 75, 452 individuals in SEZs by December 2009.

Despite all the efforts, SEZ development has become the most controversial issue for India today. It is very important to understand all aspects of SEZs such as basic concepts, its various models and the life cycle of its business before initiating any policy or investments for these projects. Despite the fact that the existing SEZ Act and FDI Policies for SEZs are very lucrative; the rationale behind the rapid economic and industrial growth of the Indian SEZ policy is being questioned. The diagram below is a snapshot of the different types of SEZs. With the unending list of trouble-shooting problems in India, it becomes very important to understand the business of SEZ's in India. The report emphasizes on certain issues which brings clarity to SEZ issues.

Special Economic Zone (SEZ) is a duty free area which is meant for the purposes of trade operations, duties and tariffs for investors. SEZs are specifically demarcated areas within the country where raw materials and capital goods can be imported duty free from abroad or the domestic market and a special package of tax holiday and incentives are given with a view to boost exports from the country. Manufacturing and Services operations are allowed in an SEZ. The Foreign Trade Policy of Government of India provides for setting up of Special Economic Zones (SEZ) in the country with a view to provide an hassle free environment for exports.

Units may be set up in SEZ for manufacture of goods and rendering of services. The units in SEZs have to be a net foreign exchange earner but they are not subjected to any pre-determined value addition or minimum export performance requirements. SEZs could be set up in public, private, joint sector or by State governments. 100% FDI is allowed in setting up of

SEZs. The government of India has also converted existing Export Processing Zones into SEZs.

The minimum size of the SEZs shall be 1000 hectares except in product specific and port/airport based SEZs. Approval for setting up of new SEZs is given by Department of Commerce, Government of India. For setting up units in SEZs, all approvals are given by a Committee headed by Development Commissioner of the concerned SEZ. For setting up a unit in SEZ, application in prescribed format should be submitted to the development Commissioner.

A large no. of new SEZs have come up in private sector in India including SEZs set up by foreign companies INTRODUCTION India was one of the first in Asia to recognize the effectiveness of the Export Processing Zone (EPZ) model in promoting exports, with Asia's first EPZ set up in Kandla in 1965. With a view to overcome the shortcomings experienced on account of the multiplicity of controls and clearances; absence of world-class infrastructure, and an unstable fiscal regime and with a view to attract larger foreign investments in India, the Special Economic Zones (SEZs) Policy was announced in April 2000. A Special Economic Zone (SEZ) is a geographical region that has economic laws that are more liberal than a country's typical economic laws. The category 'SEZ' covers a broad range of more specific zone types, including Free Trade Zones (FTZ), Export Processing Zones (EPZ), Free Zones (FZ), Industrial Estates (IE), Free Ports, Urban Enterprise Zones and others.

The most successful Special Economic Zone is in China, Shenzhen that has been developed from a small village into a city with a population over 10

million within 20 years. Following the Chinese examples, SEZ have been established in several countries, including India. According to World Bank estimates, as of 2007 there are more than 3, 000 projects taking place in SEZs in 120 countries worldwide. SEZs have been implemented using a variety of institutional structures across the world ranging from fully public (government operator, government developer, government regulator) to ‘fully’ private (private operator, private developer, public regulator). In many cases, public sector operators and developers act as quasi government agencies. SEZs are often developed under a Public-Private-Partnership arrangement, in which the public sector provides some level of support to enable a private sector developer to obtain a reasonable rate of return on the project.

MAIN OBJECTIVES OF THE SEZ ACT: (a) Generation of additional economic activity (b) Promotion of exports of goods and services; (c) Promotion of investment from domestic and foreign sources; (d) Creation of employment opportunities; (e) Development of infrastructure facilities; ROUTES FOR

FOREIGN DIRECT INVESTMENT Automatic Route – No prior Government approval is required if the investment to be made falls within the sectoral caps specified for the listed activities. Only filings have to be made by the Indian company with the concerned regional office of the Reserve Bank of India (“ RBI”) within 30 days of receipt of remittance and within 30days of issuance of shares FIPB Route – Investment proposals falling outside the automatic route would require prior Government approval. Foreign

Investment requiring Government approvals are considered and approved by the Foreign Investment Promotion Board (“ FIPB”). Decision of the FIPB

usually conveyed in 4-6 weeks. Thereafter, filings have to be made by the Indian company with the RBI CCFI Route – Investment proposals falling outside the automatic route and having a project cost of Rs.

6, 000 million or more would require prior approval of Cabinet Committee of Foreign Investment(“ CCFI”). Decision of CCFI usually conveyed in 8-10 weeks. Thereafter, filings have to be made by the Indian company with the RBI- APPROVAL MECHANISM AND ADMINISTRATIVE SET UP OF SEZ Under the Act, SEZ could be set up either jointly or severally by the Central Government, State Government, or any person (including a private or public limited company, partnership or proprietorship): for manufacture of goods; or • for rendering services; or • for both manufacturing of goods and for rendering services; or • As a Free Trade and Warehousing Zone. Approval mechanism The developer submits the proposal for establishment of SEZ to the concerned State Government.

The State Government has to forward the proposal with its recommendation within 45 days from the date of receipt of such proposal to the Board of Approval. The applicant also has the option to submit the proposal directly to the Board of Approval. The Board of Approval has been constituted by the Central Government in exercise of the powers conferred under the SEZ Act. All the decisions are taken in the Board of Approval by consensus. The Board of Approval has 19 Members.

Its constitution is as follows: Administrative set up The functioning of the SEZs is governed by a three tier administrative set up: •The Board of Approval is the apex body and is headed by the Secretary, Department of

Commerce. The Approval Committee at the Zone level deals with approval of units in the SEZs and other related issues. •Once an SEZ has been approved by the Board of Approval and Central Government has notified the area of the SEZ, units are allowed to be set up in the SEZ. All the proposals for setting up of units in the SEZ are approved at the Zone level by the Approval Committee consisting of •Development Commissioner, Customs Authorities and representatives of State Government. All post approval clearances including grant of importer-exporter code number, change in the name of the company or implementing agency; broad banding diversification, etc.

re given at the Zone level by the Development Commissioner. •The performances of the SEZ units are periodically monitored by the Approval Committee and units are liable for penal action under the provision of Foreign Trade (Development and Regulation) Act, in case of violation of the conditions of the approval. Consequent upon the SEZ Rules, 263 companies had received formal approvals to set up SEZs, and another 169 had been granted in-principle clearance by the government. INCENTIVE/ FACILITIES TO SEZ ENTERPRISES: Operational advantages: •Sectoral restrictions on manufacturing sector inapplicable within SEZ All SEZ activities on self certification basis •Single window clearance •Inter unit transfer of goods permitted •No routine customs examination of export and import cargo •Forward looking labour laws under consideration Fiscal advantages: •100% FDI for manufacturing units operating inside SEZs through automatic approval route in almost every sector. •100% profit repatriation facility from export earnings •permission to sell within Domestic Tariff Area (DTA) and an exemption from a Special Addition Duty (SAD) subject to the company

having a positive Net Foreign Exchange Position (NFEP) supplies from DTAs to be treated as exports while those from SEZs to DTAs to be treated as imports •investments in SEZ treated as infrastructure development and eligible for exemption local inputs at reduced cost without the excise, VAT and other levies of India •duty free import of materials for construction, capital goods and goods required for O; M Customs and Excise: •SEZ units may import or procure from the domestic sources, duty free, all their requirements of capital goods, raw materials, consumables, spares, packing materials, office equipment, DG sets etc. or implementation of their project in the Zone without any license or specific approval.

- Duty free import/domestic procurement of goods for setting up of SEZ units.
- Goods imported/procured locally duty free could be utilized over the approval period of 5 years.
- Domestic sales by SEZ units will now be exempt from SAD.
- Domestic sale of finished products, by-products on payment of applicable Custom duty.

- Domestic sale rejects and waste and scrap on payment of applicable Custom duty on the transaction value.

Income tax •Physical export benefit

- 100% IT exemption (10A) for first 5 years and 50% for 2 years thereafter.

Reinvestment allowance to the extent of 50% of ploughed back profit. •Carry forward of losses Foreign Direct Investment:•

- 100% foreign direct investment is under the automatic route is allowed in manufacturing sector in SEZ units except arms and ammunition, explosive, atomic substance, narcotics and hazardous chemicals, distillation and brewing of alcoholic drinks and cigarettes , cigars and manufactured tobacco substitutes.

- No cap on foreign investments for SSI reserved items. Banking / Insurance/External Commercial Borrowings •Setting up Off-shore Banking Units allowed in SEZs. OBU's allowed 100% Income Tax exemption on profit for 3 years and 50 % for next two years. •External commercial borrowings by units up to \$ 500 million a year Allowed without any maturity restrictions.

- Freedom to bring in export proceeds without any time limit. •Flexibility to keep 100% of export proceeds in EEFC account. Freedom to make overseas investment from it. •Commodity hedging permitted. •Exemption from interest rate surcharge on import finance.

- SEZ units allowed to ' write-off' unrealized export bills. INCENTIVE/ FACILITIES Location of SEZ in IndiaAt present there are 8 functional special economic zones located at: •Santacruz (Maharashtra) •Cochin (Kerala) •Kandla and Surat (Gujarat) •Chennai (Tamil Nadu) •Visakhapatnam (Andhra Pradesh) •Falta (West Bengal) •Noida (Uttar Pradesh) •Indore (Madhya Pradesh) In addition, 18 approvals have been given for setting up of SEZ at •Positra (Gujarat) •Navi Mumbai and Kopata (Maharashtra) •Nanguneri (Tamil Nadu) •Kulpi and Salt Lake (West Bengal) •Paradeep and Gopalpur (Orissa) •Bhadohi, Kanpur, Moradabad and Greater Noida (U. P.) •Vishakhapatnam and Kakinada (Andhra Pradesh) Vallarpadam/Puthuvypeen (Kerala) •Hassan (Karnataka) •Jaipur and Jodhpur (Rajasthan) State wise Distribution of outstanding SEZ projects State No of SEZs Investment (Rs bn) Maharashtra 70 610. 9 Karnataka 63 263.

4 Andhra Pradesh 62 379. 1 Haryana 50 1257. 6 Gujarat 40 850. 2 Tamil Nadu 30 86. 5 Uttar Pradesh 23 66.

2 West Bengal 21 153. 4 Orissa 13 605. 4 Rajasthan 11 0. 3SEZ

INSTITUTIONAL FRAMEWORK Example of Mundra SEZ (MSEZ) Mundra Port and Special Economic Zone Limited (MPSEZ), India's largest private port and special economic zone, was incorporated as Gujarat Adani Port Limited (GAPL) in 1998 to develop a private port at Mundra, on the west coast of India. The company commenced commercial operations in October 2001.

Mundra Special Economic Zone Limited (MSEZ) was incorporated in November 2003, to set up an SEZ at Mundra. MSEZ was merged with GAPL in April 2006. The company was renamed as Mundra Port and Special Economic Zone Limited, to reflect the nature of business. Mundra Port provides cargo handling and other value-added port services. Mundra SEZ is India's first port-based multi-product SEZ.

It is spread over an area of 100 km². with the first phase area of 6893 acres, already notified by the Government of India. This makes Mundra SEZ the first Large Format Private SEZ to be notified by the Government of India. The Government of India and the State Government of Gujarat have accorded the approval to the Adani Group to Develop, Operate and Maintain a Special Economic Zone (SEZ) at Mundra in Gujarat.

The Project is referred to as Mundra SEZ. Mundra SEZ would provide integrated infrastructure encompassing all infrastructure relating to business, living, learning, as well as recreation facilities so as to make the zone self-sufficient. Mundra SEZ will have world-class Industrial, Business, and Social infrastructure like development of Industrial plots, Commercial and Residential buildings, Schools, Colleges, Hospital, Entertainment, Sports

and Recreation facilities. The SEZ will have all essential utilities such as power generation, transmission ; distribution network, water desalination plant and supply network, sewage, water recycling plant, telecom network and multi-modal connectivity viz.

roads, airport, seaport ; rail. Mundra Port IPO Mundra Port and special economic zone came up with an IPO in November 2007 to raise around \$450m. It is the first IPO by an Indian port company. It is also India's largest non-government cargo terminal. The IPO received overwhelming response and got subscribed 115.84 times.

Promoters The Adani Group is one of India's most dynamic business houses in India with an annual turnover of INR 16,000 crore. A leader in international trading and infrastructure development, the Adani Group is engaged in a continuous endeavor to maximize potentialities, and break new ground, by synergizing the multiple core competencies of the Group. Founded in 1988 by Chairman & Managing Director Mr. Gautam Adani, the Adani Group has grown from being a trading house to a well-diversified group with interests from infrastructural development to FMCGs. Through time-conscious delivery, quality-driven process systems, total reliability and uncompromising commitment to customer satisfaction, Adani Group has found success around the world, and a reputation as a responsible international business house. The Adani Group's business activities operate primarily in two business sectors, namely:

- Global trading, manufacturing and services
- Private infrastructure Terminals

Mundra Port has the world's biggest coal handling terminal.

It can import 40 million tonnes of coal annually. It was built at a cost of Rs 2000 crore. Benefits offered by the SEZ The Government of India through the SEZ Policy has made available a basket of Incentives, Exemptions, Concessions and Privileges (IECP) to the SEZ Developers and the SEZ Units. The benefits available to the Developer and Unit under the SEZ Policy, essentially translate into : •Reduced Cost of Infrastructure •Reduced Cost of Utilities •Reduced Cost of Raw Material •Reduced Cost of Capital •Reduced Cost of Manpower •Operational Ease Advantage Mundra Mundra Port is India's largest privately developed Port equipped with state of the art technology and excellent infrastructure.

Some of the salient features are : •One of the deepest ports on the coastline of India blessed with a natural draft of 17 m. and capable of berthing Cape size vessels up to 1, 50, 000 DWT. •Proximity to Northern ; Western hinterland of the country which generates over 42% of the total international trade of India. Mundra port is over 180 kms. Closer to Delhi than Mumbai Port ; JNPT. •The Port has dedicated infrastructure to cater to various cargo like Grain, Liquid, POL and coal amongst others.

- Back-up Infrastructural facilities developed in an area of 300 acres for Dry, Liquid ; container cargo. State of the Art mechanized Bulk handling system.

- Ample closed and open storage space for Dry cargo. •In-house wheat cleaning as well as rice sorting ; grading facility.

- Large tank farm area for storage of wide variety of Liquid cargo.

- Connected to NH-8 of the National Highway network. •Linked to the

national railway grid through a self-developed 57 kms. Long railway link capable of handling 24 rakes per day.

- Can accommodate 4 Single Point Moorings inside the Port's limits.
- An area of 5, 000 acres available for further developing the Port back up related Infrastructural facilities. With a total quay length of 895 m. , the Port has four berths ranging from 180 to 225 m. in length and 31 m. in width, besides an 85 m.

barge berth for handling a wide variety of cargo. These berths can easily handle 9 million tonnes of cargo per annum on the existing infrastructural facilities. Additional Infrastructure facilities are:

- Airport, Railway, Road ; Sea routes for transportation
- Developed land (leveled ; landscaped) with boundary walls and street lights
- Utilities – Power, Water, Gas, Telecom, Info-comm
- Drainage, Sewage, Water Desalination ; Recycling Housing, Education, Healthcare ; recreational facilities
- Warehouses, Container freight stations
- Testing ; Certification labs
- Silos, Cool ; Cold storages

Road Mundra SEZ is linked to the National Highway through NH-8A ext. and State Highways SH-6 and SH-48. Rail Mundra SEZ has its own 57-km long rail-link and an in-zone receipt and dispatch yard which is connected to the National Railway network. It has the shortest rail route from any Port to Northern India.

Air A fully functional airport at Bhuj is 65 km from Mundra SEZ. Kandla Airport is at distance of 55 km from Mundra Port (about 5 km from the notified Mundra SEZ boundary). A newly constructed airstrip at Mandvi is at a distance of 40 km. There is an airstrip within Mundra SEZ which is under

construction to facilitate movement of wide-bodied aircraft. Advantages
fiscal Industries located in SEZs get a host of fiscal advantages over those
located outside them.

The SEZ Policy of the Government of India lays down a number of financial
benefits for manufacturing units in the SEZ. The advantages include: •Direct
Tax Benefits – Income Tax 1. 100% exemption for the first 5 years 2. 50%
exemption for the sixth to tenth (next 5) years 3.

0% exemption on the ploughed back profits, for an additional 5 years, after
ten years 4. Exemption from Minimum Alternate Tax •Indirect Tax Benefits –
Perennial exemption in all taxes including 1. Excise Duty 2. Custom Duty 3.

Service Tax 4. Value Added Tax (VAT) 5. Stamp Duty / Lease Tax 6. 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). Advantages operational Mundra Port and Special Economic
Zone Limited, is developing and managing a multi-sector Special Economic
Zone (SEZ), planned to be spread over 100 sq. km in Kutch.

This large format SEZ allows flexibility in deciding size of plot for setting up
variety of Business Units. SEZs offer a host of benefits that facilitate
operations for in-zone industrial units. Besides the Government of India
benefits, the Gujarat government has also designed a policy that offers

added incentives to the in-SEZ industrial units. The SEZ at Mundra will be spread over 100 Square kilometers, providing excellent flexibility in

- 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 labor policy specifically for SEZ units(Applicable only in Gujarat)
- Freedom to realize 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

Strategic location The Port is strategically placed with respect to the northern and western hinterland, to which it is well-connected by both railways and roadways. This area generates nearly 70% of India's containerized international trade. The Port has privately developed a 57 km railhead which is connected to the nearest railhead.

The Bhuj airport is a short drive away, and proposed Mundra airstrip will bring airways to the Port zone. Port facilities and services

- Berths
- Single Point Mooring (SPM)
- Marine Operations ; Equipments
- Hydrographical Information
- Railway Services
- Container Freight Stations (CFS) Facilities
- Project Management Facilities
- Cargo Storage Facilities
- Cargo Handling Services

In-house facilities The port is an end-to-end comprehensive service provider with state-of-the-art facilities including:

- Mechanized bulk handling
- Packaging of cargo
- Closed and open storage for bulk cargo
- Liquid tank farm area
- Cleaning and sorting of cereals
- Privately developed road and rail network

In-zone optionsThe in-zone Mundra International Container Terminal

and Mundra SEZ are value additions offering attractive options to clients of Mundra Port. MICT is a world-class container terminal capable of handling container vessels. The Government approved Mundra SEZ is multi-modal, multi-sector, multi-product and is the largest SEZ in India. What are the Fiscal benefits for a Mundra Port SEZ unit? •Single window clearance for Central and State level approvals.

- The port operates with a single window clearance system of management which ensures swift clearance and rapid movement of cargo and quick turnaround time. Customs and Excise •Duty free import (or domestic procurement), without any license or specific approval, of capital goods, raw materials, consumables, spares, packing materials, office equipment, and anything else required for implementation of their project in MPSEZ
- Generous 5 year period for utilization of goods imported duty-free or goods procured locally •Exemption of domestic sales from Special Additional Duty (SAD) •Domestic sales of finished products or by-products, on payment of the applicable Customs duty •Domestic sales of rejects, waste and scrap, on payment of the applicable Customs dutyIncome Tax •Physical export benefit
- 100% exemption from Income Tax under Sec 10A of the Income Tax Act, —, for the first 5 years, and 50% exemption for the next 5 years •Exemption from minimum alternate tax under section 115JB of the Income Tax Act.
- Reinvestment allowance of up to 50% of ploughed back profits for next 5 years •Carry forward of losses to the next financial / accounting year Foreign Direct Investment (FDI) 100% FDI under the automatic route is allowed in MPSEZ units in the manufacturing sector, except in the following areas: arms and ammunition, explosive, atomic substance, narcotics and hazardous

chemicals, distillation and brewing of alcoholic drinks and cigarettes, cigars and manufactured tobacco substitutes • There is no cap on foreign investments for items reserved for small scale industries Banking / Insurance / External Commercial Borrowings Setting up of Off-shore Banking Units (OBU) is permitted in MPSEZ • OBUs are allowed 100% Income Tax exemption on profits for 3 years and 50% exemption for the next two years • External commercial borrowings by SEZ units, up to \$500 million a year, is allowed without any restrictions on maturity – for details please refer to guidelines issued by the Reserve Bank of India • Entrepreneurs have freedom to bring in export proceeds without any time limit • SEZ units can keep 100% of export proceeds in an EEFC (Exchange Earner Foreign Currency) account and make overseas investment from this account • Commodity hedging is permitted SEZ units are exempt from the interest surcharge on import finance • SEZ units are allowed to write-off unrealized export bills Companies Act • Directors of SEZ units do not have to fulfill the requirement of 12 months domicile in India prior to appointment as Director

Sub-Contracting/Contract Farming • SEZ units are allowed to sub-contract part of their production to units in the Domestic Tariff Area or to other Export Oriented Units or SEZ units • SEZ units may also sub-contract part of their production abroad • Agro industries in SEZ are allowed to provide inputs and equipment to contract farmers in the Domestic Tariff Area for their supplies

Can foreign companies set up a unit in a SEZ? Yes, a foreign company can take the Automatic Approval Route to set up a unit in an SEZ.

Net Foreign Exchange inflow – Net Foreign Exchange outflow ; > 0 • SEZ units have to provide periodic reports to the Development Commissioner and Zone Customs as provided in Appendix 14-I F of the Handbook of Procedures,

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Vol. 1 •SEZ units have to execute a bond with the Zone Customs for their operations in the SEZ •Any company set up with Foreign Direct Investment (FDI) has to also be incorporated under the Indian Companies Act to operate in India.

Development ; future plansThe Port management has ambitious plans of increasing capacity to 120 MT by 2012. Amongst the facilities being added are a bulk terminal with a 450m quay length and a depth of 17m. The Port also plans to expand the Gandhidham-Palanpur rail link to Broad Gauge, in a joint venture with Indian Railways and others, which would further decrease the distance to the northern hinterland by 220 kms. Long term development plans include additional berths and backup facilities that will eventually take the Port to its projected target in the next 10 years.

Mundra port is an integral part of the Mundra SEZ. The SEZ status confers significant benefits to the developers and business partners of the port, thus providing cost-efficient solutions to the end-customers. Future plans. The development plans at Mundra Port are concentrated primarily in the areas of advanced material handling systems, safe storage facilities, and logistics. 2 Gottwald as well as 4 Liebherr cranes are being added to our existing facilities, increasing the tally of 100 T capacity Gottwalds to 4.

The German made state-of-the-art cranes are expected to drastically increase current output of 1500 TPH. The 2 Gottwald cranes are operational, while the Liebherr cranes will be commissioned on the new Terminal 2 jetty. The total investment in material handling equipment is worth around 80

crores. Enclosure-9, a new storage facility for liquid cargo is being completed, and is expected to be fully operational by June 2006.

The capacity of new enclosure is 60, 000 kl and it is meant for the storage of Class A/B/C product. The total investment is worth 31 crores. A project under management preview is a stacker-cum-reclaimer of 2000 TPH handling capacity for the better stacking and reclaiming of coal. Along with stacker-cum-reclaimer, we also propose in-motion wagon loading system for faster and more accurate loading. With the help of in-motion wagon loading system the Port will be able to handle about 5 to 7 coal rakes a day.

The proposed facility will be environment-friendly, increase output and enhance speed of handling with proper stockpile capacity, and is expected to be operational by June 2007. A Closed Godown of 22, 000 sq mtr, and a Hard Stand of 8, 000 sq mtr are under construction, while another Closed Godown of 30, 000 sq mtr and a Hard Stand - 2, 92, 000 sq mtr are on the cards. A new berth is being constructed to add to the existing 4 all-weather multipurpose berths. The new Terminal -2 jetty is under construction and is being carried out by M/s. Simplex.

Terminal 2 Jetty has a length of 575 mtr, and is 47. 5 mtr wide, and can accommodate cape size vessels with its draft of 18 mtr. The berth, which is a 133 crore investment, is expected to be completed by July 2006. Work on a new terminal (DBT or CT-2) to equip the Port to handle greater container traffic is also in progress. The proposed location of the new terminal is in continuation with the western side of the existing container berth.

The work has been awarded to L ; T ECC. The length of the berth is 632 mtr, of 47. 5 mtr width, with an available draft of 18 mtr. The new container terminal is expected to be completed by April 2007.

The construction of the jetty alone is expected to cost 154 crores. Cape size vessels will be able to berth alongside at this terminal, will have a backup area of 470 mtr X 350 mtr, and will be provided with 4 RMQCs and optimum handling facilities. The extant road network is also being upgraded. The existing 10 km long external two-lane road connecting Mundra road network to Port has already been converted into a four-lane road of 1. km length. Another 2.

4 km length conversion is under construction. The internal road of 22km length is being converted to RCC, of which 4 km have been completed. Port Statistics Mundra Port is India's largest private sector port and one of the fastest growing. The port has grown today to handle almost 10 times of the cargo that it started with at its inception (1998). The port is well set on its path to handle 150 million tonnes of cargo by 2025 and become a major regional transshipment hub. Fire and safety Fire ; Safety department of Gujarat Adani Port Ltd.

as state of the art firefighting facility to deal with any emergency situation. All the F; S staff are experienced and trained from National Fire Service College, Nagpur, College of Fire Technology, Ahmedabad, National Fire Academy, Baroda and Gandhi Labour Institute, Ahmedabad. Fire ; Safety crew man the Fire Control Room round the clock, round the year. Two fire fighting mobile units with rescue and safety equipment are kept at standby

at the Fire Station to meet any emergency situation inside and outside the port premises. Besides these crew, F; S personnel are posted at all the critical and hazardous area. The F; S department has established safe work culture by implementing work permit system for various activities.

GAPL F; S also extend its services for community development, imparting training to nearby village, town, schools in collaboration with UNDP-GSDMA and various NGOs. Often F; S team of GAPL aid in helping the nearby industries and villagers by providing fire fighting facility, in case of emergency. Security Materials are stored and kept under the observation of the security personnel round the clock. Fixed security posts at various focal points are manned by the security personnel. Patrolling is being carried out by the personnel.

Twelve watch towers exist for observation. Cargo vehicles are permitted inside the Port with cross verification of the cargo entry permits. Movements of the vehicles at the weigh bridges are monitored by the security to avoid any manipulation in Tare/gross weight. All workers entering inside the Port are mustered with the help of electronic bar coded cards. Worker entry permits are issued in consultation with the concerned department with whom a contractor intends to work ; they are subject to a physical check at the entry/exit.