



Date: 22-9.2012

ANNUAL WORKING REPORT

Dear Members;

The present Managing Committee took charge on 24th September, 2011 for the period 2011-13.

The following are the prominent events and the proceedings thereof:

➤ **Salt Lease Renewal :**

Vigorous efforts are being made by Managing Committee in the matter of Salt Lease Renewal with State and Central Governments. Their focus is to increase the present 10 year lease renewal period to 30 years. This will help salt fields to draw up Long range development plans for increasing productivity and profits.

➤ The lease rent increase has been initiated by Kandla Port Trust based solely on the valuation report of M/s R.B. Shah & Associates who has prepared their report without considering the prevailing market rates or the Land Policy Guidelines issued by the State or the Salt department or any guidelines or mechanism to fix rent.

➤ This arbitrary multifold rate increase not only makes Salt manufacturing in the region unviable but also spells the doom of Kandla Salt Industry. It also defeats the Government's Policy of encouraging locals into salt manufacturing as this is the only industry which can be set up in barren /unfertile flat land the land which by nature has been designed only for Salt manufacturing.

➤ Notification issued by Tariff Authority of Major Ports (TAMP) unilaterally increasing Lease rent multifold making Salt industries in the region unviable has been taken up with various ministries of the Central Government including the Office of the Prime Minister for a relook/ revision of the increased rates .

➤ Mr B.C. Raval, Hon. Secretary has taken up the matter of getting Exemption from obtaining water consent/CCA for salt production by Solar evaporation with the Chairman- Gujarat Pollution Control board.

➤ We have written letter to the Hon'ble Railway Minister for a role-back/review of the recent freight hike, as it adversely affects the people at large and also the salt Industry in particular. We have also requested the CII- Western Region to help us in taking-up the matter with the Railway Ministry to review / reconsider the recent hike.

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- By letter dated 17th April 12, addressed to the Industries Commissioner by the Hon. Secretary Mr. B.C. Rawal, ISMA expressed its willingness to arrange a One day seminar on “Ecological/ Environment of Salt Industry” during Vibrant Gujarat during January 2013 with the support of CSMCRI, Bhavnagar & the Salt Commissioner, Jaipur. The estimated cost of this seminar would be around Rs.100 lacs.
- In the matter of CoE, Mr. B.C. Raval addressed letter dt. 17th April to GITCO to finalize and submit the CoE Report for Salt Industry to the Government. The CoE is proposed to be housed in a 5000 sq. ft. building in Ahmedabad with initial Capital Cost being borne by Government of Gujarat and later Operational Cost by ISMA. Technical support to CoE would be provided by GITCO.
- **Open House discussion at Hotel Pride on 12th July 2012 :**
ISMA held an Salt Meet on 12th July 2012 to discuss the various problems being faced by the Salt Industry and find out means to solve them. ISMA members from Gujarat and concerned officials from State Government and Salt Commissioner and Industries Commissioner from the Central Government participated in the discussion.

We have incurred a total expense of Rs. 90,000/- in organizing this Meet. Few members Mr DU Jadeja, Mr Parag Sheth & Mr Shamji Kangad voluntarily agreed to contribute Rs. 25,000/- each towards the expenses.

Further, during the Meet M/s Tata Chemicals announced that they will extend their support by releasing their advertisement in our magazine on permanent basis. We have reserved full back page space of the magazine to them for this.

- **Web Site indiansalt.org :**
We are in the process of designing our new Web Site indiansalt.org. The same is under construction and shall be hoisted in about two week's time. It is comprehensive in nature and includes contact details and responsible persons of each member, copy of our Constitution , a brief history of our organization, our past and present Office bearers, information and minutes of our meetings and also copy of the bi-monthly salt magazine Salt-India published by us.
- **Regional Office at Ahmedabad :**
Ahmedabad Regional Office is operational since Sept. 2009 on the premises provided by our Vice-President, Mr. Shamjibhai Kangad, of M/s. Ahir Salt & Allied Products (P) Ltd., Gandhidham . He has lent us his office temporarily free of cost till we shift to our newly purchased premises. However, operational costs like Electricity, Water and applicable taxes are to be borne by ISMA till we vacate the premises. We wish to put on record our sincere thanks and our gratitude for the kind help he has done to our organization.

- *Our association has purchased office premises at Ahmedabad. Full and final payment of Rs. 67.5 lakh already been paid. We got possession and circulated to all members. We are in process to Short list interior designer and hopeful to complete work in short time.*
- **Mumbai Office :**
We have renewed the Leave and License of Mumbai Office Tenant, M/s. Nanavati & Nanavati Advocates and increased the rent to Rs.51,000/- per month with effect from January 2011 up to December'12. Further ISMA formed a Committee to resolve all the pending & disputed issues with the tenant.
- **Matter of Mumbai Office's Documentation :**
During shifting of office, we found that the documents pertaining to Mumbai Office were not traceable and only Duplicate Share Certificate of Mittal Chamber found. As the office taken over from M/s. Usha transport somewhere in 1982 and present committee does not know about the documentation made at those days, in which, we have consent two advocates (Mr. Paresh Mankad – present tenant of M/s. Nanavati Associates - one of the advocate) and seek their opinion for regularization of the documents. The essential process involves starts from to file the FIR up to registration of the deed might be made those days. Managing Committee authorized Mr. Madhu Nair to follow the producers as per the guidance from appointed advocate. During 2 months the process made and all the necessary documents traced out and brought from Pune to Mumbai registrar office.

The documents were finally located at the Office of Sub-Registrar, Pune, and it was laying there as we have not completed the registration formalities at the time of Registration 30-6-82 since we had not transferred the property to our name

The entire process attracts around Rs. 8.0 lakhs expenditure towards legal fees as well as sundries expenses.

On arrival of the documents and rules and regulation of the registrar office we found that ISMA has to pay stamp duty for the deed made at present tax structure. The amount we found Rs. 22.0 lakhs towards stamp duty (based on current market value, not as per 1982) plus Rs. 45.0 lakhs payable against penalty as such any property in Nariman Point must be take prior approval from authority is essential and in which, we found defaulter in this case.

President and Secretary along with Shri Hiralal Parekh and Shri P R Dhruve visited to advocate for suitable remedy to avoid huge amount payable as above. After a long discussion and a thought, it was decided to pay Rs. 12.0 lakhs lump sum to the authority through the advocate for legalize all the documents. Based on the decision taken Mr. Paresh Mankad, he regularized the documents as per present legal norms and handed over the Certified copy of Agreement and Index II to ISMA on 14th September, 2012.

The Original Agreement and Index II will be sent to us by the Registrar of Assurance, Pune within 3 months.

The payable amount has been arranged immediately by Shri Hiralal Parekh on behalf of ISMA, which is to be pay back to him. As the registrar office given us deadline of 14th September, 2012 for payment of Stamp Duty along with penalty, if ISMA fails to pay than entire documents will send back to Pune and recovery may be attract through legal process from Revenue Department.

Rs. 8 lacstowards Legal Fees and Sundry Expenses

Rs. 12 lacs ... sundry expenses towards to wave the stamp duty / penalty which was assessed to tune of Rs.64 lakhs.

Thus ISMA incurs a total amount of Rs. 20 lacs for regularization of Mumbai Office documents.

➤ **Salt Magazine :**

The Bi-Monthly Bulletin “Salt-India” is being published regularly, the latest issue published for the period March-April-May, 2012. It is being published successfully in the Eleventh year now. Our association has decided to raise revenue through advertisements for costs incurred by our association for publishing and distribution copies of “Salt-India”. Chief Editor is Mr R. Mohan and Editors are Mr HD Jhala & Mr P.R. Dhruve.

Our Salt News bulletin “Salt-India” is in its 11th year of publication now. Mr. R. Mohan is the Chief Editor and Mr. HD Jhala and Mr. P.R. Dhruve are the Editors. The cost of publication and its distribution has increased over the years and to meet this expense our committee has decided to raise revenue through advertisement from members in the news bulletin and also charge a subscription fee of Rs. 1500/- per annum (for 6 issues). Circular to this effect has been sent to all our members.

- *The present strength of our Association is 67 members (5 Associate & 62 Ordinary).*
- *The Following members have expressed their unwillingness to continue with the membership of ISMA and hence their names have been removed from the membership:*
[1] M/s. Bhagat Salt & Chemical Industries – Dahej.
[2] M/s. Jagdish Salt – Bhavnagar. & [3] M/s. King Prawns Ltd.- Mumbai
- *Our last AGM was held on 24.09.2011. During this period Seven (7) Managing Committee Members’ Meetings were held dated 24th September, 2011, 25th November, 2011, 13th January, 2012, 7th April, 2012, 9th June, 2012 and 22nd September, 2012 . Our last OGM was held on 09.06.2012.*



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- *Our efforts in uplifting the condition of the Salt industry have been continuous. During the year we have issued 67 letters/Circulars to differ members and various organizations and in turn received 334 inputs and info from members/organizations.*
- *On 25th November, 2011 we have celebrated New Year at Ahmedabad by way of arranging 'Sneh Milan' & invited all President / Secretaries of Regional Associations of Gujarat at GHCL along with Seniors & leading Salt Manufacturers , who have contributed immensely to the development of salt industries. & ISMA felicitated them with SHAWL having arrangement of lunch.*

MEMBERS CAN GIVE WRITTEN PRESENTATION/ SUBMISSION OF ISSUES RELATED TO SALT INDUSTRY & WE TEAM-ISMA WILL DEFENATELY LOOK INTO THE MATTER IN THE COMING MEETINGS ON PRIORITY & IMPORANCE BASIS.

All the above achievements were possible because of the active participation of the Office Bearers, Committee Members and Senior Members of the Association.

The Association looks forward to further active participation by all concerned, for the betterment of the Salt Industry.

Yours sincerely,

Sd/-
P.N. Rao
President

Sd/-
B.C.Raval
Hon' Secretary