

# Like owning a car without petrol

VERNA: When the best-equipped industrial estate in Goa simply flatters to deceive, when the strongest set of industrial units cry foul over the lack of basic amenities, it offers an insight of how the state is faring as an investor-friendly destination.

The Verna industrial estate currently has 411 units-303 in operation, 16 closed down, the remaining in different stages of being set up. But stakeholders lament the liabilities they face vis-a-vis civic facilities and infrastructure support.

"You can compare it to owning a car without petrol," says Prashant Shinde, president of the Verna Industrial Estate Association. There's a massive shortage of water supply and the alternative, tanker water, costs dearly; power supplied by the government is erratic and that from the private player is expensive; and red tape tangles abound when coordinating with government agencies, he says.

The association's past president Nitin Kunkolienkar points to a "larger view at play". "What bothers industry are international market volatility, national economic scenario, state issues and finally, industrial estate-specific issues," says the former president of the Goa Chamber of Commerce and Industry.

So, the Euro crisis, fluctuating oil prices, depreciating rupee, hordes of workforce returning home from foreign countries where unemployment has risen all take a toll on industries in Goa, he explains.

There's therefore a dire need to "strengthen the state's institutional mechanism to handle investments". "In the absence of markets in Goa, companies here have to source their raw materials and supply their finished goods to distances as far away as 700km, in Bangalore and Mumbai," says the vice-president of Smart Link Pvt Ltd.

Association members want the government to offset market-related difficulties by improving the supply linkage to the industrial estates to boost volumes. The present poor linkage has upped operation costs and caused inefficiencies which have impacted investments in the state, they say.

Blaise Costabir, managing director, GMI Zarhak Moulders Pvt Ltd, says, "If we are comparing Verna to Mapusa and Sancoale industrial estates, then we are in good shape. But if you compare it to top industrial estates in India, say in Gujarat or in Karnataka, or outside the country, say the Dubai Free Trade Zone, where are we?"

"A simple issue like signage is not properly implemented in Verna, where you have names written with paint on concrete slabs that can't be seen anymore. This basic problem is a sign of the disparity," says the member of the Goa Industrial Development Corporation board. He says he has informed GIDC's management that there is a road under construction at the estate, near

the SEZ area, that leads nowhere. "It's an example of the unnecessary expenditure," says Costabir.

Pradip da Costa of Astar Metals wants the government to focus on giving support and providing the best infrastructure rather than offering subsidies in the form of incentives, while Shinde would like land allocations to be less time-consuming even after all formalities are completed.

At the end of the day, there should be experts leading the state's strategy direction for industry, and a dedicated force with the vision to meet and carry forward the needs and aspirations of the industrial estates, only then will Goa attract better investments, say the stakeholders.

### **Recharging the water table**

The Ground Water Table Recharge Project at the Verna industrial estate was initiated two years ago and has converted 16 open spaces at an approximate cost of ' 2-2.5crore.

As per records of the last monsoon, the project boasts a total storage capacity of 2,52,82,870 litres of water. The artificial groundwater recharging structures have been constructed by the Goa Industrial Development Corporation (GIDC) and the water resources department (WRD).

Project director Sanjit Rodrigues explains that the structures are groundwater recharging pits with dummy infiltration borewells along with check dams, bundhs and retaining walls. He says the ground has been perforated to recharge the water table and that before the initiation of the project, rain water would drain off through natural outlets.

Verna industrial estate's records show that 105 companies out of 300-odd units have submitted applications to GIDC for the groundwater recharging programme. Ratnakar Barve, VP (Operations), Finolex Cables Ltd, says the company has already implemented the necessary facilities to harvest rain water and recharge the groundwater table.

Problems

### **So Near, Yet So Far**

Verna industrial estate sprawls alongside the NH 17, is a mere 5km from the Verna railway station, 10km from Dabolim airport and around 18km from Mormugao port.

But the logistics of transporting raw materials and finished goods to and from the estate is a time- and money-consuming nightmare. "If we need to send or bring any material to or from the port we have to hope the Vasco route is not closed for heavy traffic because of some festival or that traffic snarls aren't too many," say stakeholders. The 30-minute distance often takes a minimum of 24 hours for the container trucks as they are not allowed to ply the city roads during the day.

To transport goods from the estate out of Goa, say towards Karnataka, the trucks have to travel via the narrow village roads of Rassaim and Loutolim towards Belgaum. The route is cumbersome and dangerous for road users, especially the villagers.

This poor connectivity coupled with supply chain costs makes doing business in Goa very expensive, say stakeholders.

"What is needed for the estate and will be safe for the villages around too is another Zuari bridge or the present one repaired to bear container trucks travelling on it," says MD, GMI Zarhak Moulders Pvt Ltd, Blaise Costabir.

A stakeholder adds that if treated on priority, a roll-on-roll-off ferry service on the Zuari will benefit the estate while easing road traffic congestions.

Describing the industries at the Verna estate as akin to that of a processing hub, estate association past president Nitin Kunkolienkar says, "The government has to work on building a supply chain network by integrating the existing port, minor ports, Konkan railway terminal at Verna, airport and look in terms of creating a cargo hub. The absence of this is hurting the industry financially."

Pointing out that units at the estate are still very dependent on the Mumbai ports, stakeholders say in the absence of proper rail connectivity from Verna, their potential growth is affected.

Insisting that one cannot look at Verna or Goa from an isolated point of view and one has to understand the national supply chain issues which their companies use, association members made references to two government surveys released recently: Operational efficiency for national highways for freight transportation in India, done by the Transport Corporation of India Ltd and IIM Calcutta, and Maritime Agenda 2010-2012 released by the Indian ministry of shipping.

The first survey revealed that slow truck speeds on highways and delays at toll plazas and stoppages at states cost the country about ' 60,000 crore. The maritime survey pointed out that about 90% by volume and 70% by value of the country's international trade is carried out through the sea, via major and minor ports. The 2009-10 period saw minor ports tackle a 35.44% growth in volumes as compared to the 5.76% growth at major ports.

Association members feel the connectivity between MPT, considered a minor port as compared to many in the country, and the industrial estate has to be given priority. The time taken between goods arriving at the port and then reaching the estate has to reduce or else we will be forced to use Mumbai port, warn some stakeholders.

They further feel the government should set up an independent regulatory authority to assess cost benefits, service levels, safety measures and tariff structures at the earliest.

## **Treatment Plant Dreams**

While most industrial units have the requisite soak pits and internal garbage collection mechanism-for which they have NOCs from the Goa pollution control board-the woe of waste management arises because there is no garbage treatment plant at the estate, say stakeholders.

Units who have waste paper sell the same to scrap dealers, while some companies claim they pay the nearby village panchayats of Verna, Nagoa, Cortalim, and Loutolim as much as ' 1 crore to take care of their wastes. But this is not done.

The Loutolim panchayat's July gram sabha, in fact, saw a resolution passed where it was decided that sarpanch Maria Monteiro would write to the Goa Industrial Development Corporation (GIDC) to set up a waste treatment plant at the Verna industrial estate. Villagers had complained that in the absence of a treatment plant at the estate, garbage from there was being dumped on the village's roads.

The estate's association too has submitted a proposal to GIDC asking for 200 sq m of land where waste can be segregated. The proposal envisages appointing a scrap vendor who will collect trash from all the units regularly and whose bill will be footed by members of the estate. This proposal was devised after the Verna industrial estate association met with officials of the Corporation of the City of Panaji and visited the waste recycling site at Tonca.

There is also a demand with the government to set up an effluent treatment plant (ETP) at the estate given that a portion of the pharmaceutical waste is sent to Taloja in Maharashtra.

Stanley Colaco, field manager, Verna industrial estate, said two plots of 50,000 sq m have been identified by GIDC to handle the estate's waste and that GIDC MD F O Hashmi would soon be visiting the estate to discuss the same. "At his next meeting at the estate, where the association members will also be present, the proposal will be discussed and accordingly a feasibility report will be prepared," said Colaco.

### **Short-Circuited**

Most companies at the estate rely on generators due to power outages, and several have opted for the supply from a private source, Reliance Energy.

The latter is priced five times the available government power supply, "but because breakdowns are frequent or there are unannounced shutdowns, units have opted for private power supply," says Pradip da Costa of Astra Metal Systems Pvt Ltd.

Damodar Kockhar, owner of Ultratech Automotive Pvt Ltd, says the power issues are the fallout of improper planning-"the estate was set up and industries were allocated plots without first augmenting the power infrastructure".

He explains that power is supplied through LT, HT and 33 MVA which cannot cope with the load and which is why underground cabling is required. "It is not only reliable, if there is any problem the issue can be isolated and the entire system does not have to suffer," he stresses.

Estate association's president Prashant Shinde seconds underground cabling as an urgent requirement, while past president Nitin Kunkoliencar says the "solution to power deficit is thermal power". The Smart Link Pvt Ltd VP also wants "a dedicated electrical wing that will be accountable and will coordinate with other departments on issues of conflict", and wants maintenance to be entrusted to the electricity department "which is specialized and has the necessary understanding to tackle the issues".

Power minister Milind Naik said he is aware of the power scenario at the estate and that paperwork to upgrade the 400 33 MVA transformers has been initiated. He added the problems of load shedding and power fluctuations would be sorted out.

## **Parched**

Verna industrial estate faces acute water shortage; such that some of its industries suffered ' 7 crore losses in April, despite supply by water tankers, say insiders.

The industry needs 15 MLD of water, but receives only 1.5 MLD from the PWD, water tankers and the 192 borewells at the estate. Some companies need as many as 15 water tankers a day, say stakeholders.

"The dependency on water tankers varies from company to company, but it is a very critical dependency," says Damodar Kochkar, owner of Ultratech Automotive Pvt Ltd.

President of the estate's association Prashant Shinde rues that industries pay 40 times more for water. "The rate per CuM for water from borewells has gone up from 50 paise to ' 20. It is unfair when pipeline water supplied by the government is much lesser."

PWD chief engineer (I) J Borkar says the ' 5 crore-work of laying a separate pipeline to supply raw water to the estate has already been tendered. The new pipeline will supply untreated, raw water from the Selaulim canal at Sao Jose de Areal to the estate, a distance of about 22km. He added that the estate needs about 12 MLD of water which will be met with the raw water.

## **Long Walks**

Verna industrial estate field manager Stanley Colaco says the existing bus stop at the main entrance to the estate will be demolished due to several complaints from companies and their employees.

A new bus stop will be constructed 134.5 m from the Titan junction on the Panaji-Margao highway and will be 15m from the main road, he elaborates. PWD officials have recently conducted a site visit and Titan has agreed to construct the new bus stop, he adds.

But buses to the estate aside, there are almost no transport options for those working at the estate, except for buses provided by some firms for their employees. Several workers are seen everyday walking to and from their units, several kilometers from the bus stop.

Proposals to the Kadamba Transport Corporation, sent in the past, failed as passenger volumes on the route could not be guaranteed, say insiders.

The subway at the entrance of the estate too is unused, with workers pointing out that it is not maintained, is unhygienic, and is considered unsafe by women employees.

### **Wage Woes**

The decision of the government to enhance minimum labour wages to ' 215 from ' 150 to ' 215 has left some of the smaller industries wishing the government had approached the rise step-by-step, rather than jumped to a 40% hike in one go. Their worry is that the hike will have a cascading effect on costs.

Other stakeholders expressed otherwise. Smart Link's Nitin Kunkolieknar stressed that the increased wages would help to increase the spending capacity of the labourer which in turn would get recycled into the system and could be used for various development purposes.

### **Police Pangs**

Units at the Verna industrial estate, along with the estate's association, have been long demanding the setting up of a dedicated police station.

The 68,39,750 sq m estate presently falls under the jurisdictions of three police stations-Verna, Agassaim and Maina Curtorim. Stakeholders point out that a dedicated police station is necessary, especially, given the large collective workforce that includes migrant workers. Industries minister Mahadev Naik told TOI that the government will set up a police station at the estate.