

AGREEMENT
for
Integrated Water Management Services in Cochin CSEZ

This Agreement made this theday ofof the year Two Thousand between Cochin Special Economic Zone (Cochin SEZ),Kakkanad, Cochin-682 037, represented by the Development Commissioner, hereinafter referred to as “CSEZ”, in which expression shall unless the context does not so admit, include his successors in office and assigns, on the one part, and, a Unit located in the CSEZ according to the LOP/LOA issued by the Development Commissioner, hereinafter referred to as the “Unit”, in which expression are included, unless such inclusions are inconsistent with the context of the meaning thereof, its heirs, executors, administrators and assigns, of the other part;

Whereas the Units in CSEZ, individually and through their association, Cochin Special Economic Zone Industries Association, have represented to the CSEZ to provide all basic infrastructure services in the Cochin SEZ;

And Whereas CSEZ have constructed an integrated water management system comprising a water supply system and a common effluent treatment system, hereinafter called the ‘system’, for the Cochin SEZ with funds sanctioned by Government of India on the condition that the operation, maintenance costs of the system shall be borne by the units with intention to provide an integrated water management services to the Units with a view to minimizing adverse impact on the environment from the operation of the Cochin SEZ as a whole, considering the agitations of local populace, the exhortations of the Kerala State Pollution Control Board and commitments given in pursuance of the orders of the High Court of Kerala in the matter, for which purpose it is considered essential that all units within the Cochin SEZ become members of the system;

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

In consideration of the charges hereby reserved and of the covenants and agreements on the part of the Unit hereinafter contained, CSEZ doth hereby permit the Unit to connect to their Water Supply System and to the Common Effluent Treatment System of the Cochin SEZ, and to draw water from the Water Supply System and to discharge the Unit’s effluents to the Common Effluent Treatment System for such time that the Unit exists in the Cochin SEZ on payment of the Charges every month;

The Unit doth hereby convenient with CSEZ as follows:-

1. The Unit agrees to draw water only from the Water Supply System provided by CSEZ.
Provided however that Units without trade effluents may draw water from bore wells, if the relevant laws so permit, with the specific permission of the Development Commissioner, Cochin SEZ.
2. The Unit shall not tap water from the Water Supply System without the prior permission of CSEZ

3. The Unit shall discharge effluents only to the common effluent treatment system. The unit shall not discharge the effluents into the open drains, storm water drains, public waterways or canals. Violation of this condition shall make the Unit liable for compensating any consequential loss or damage that may be wrought upon CSEZ or other units in the Zone, and for imposition of fines by Development Commissioner Cochin SEZ.
4. The Unit shall discharge effluents continuously into the common effluent treatment system through the dedicated pipeline provided for the purpose, and at any rate not less than once in four hours every day that the Unit functions. However, food-processing units shall continuously discharge effluents to the system. The Unit shall discharge its effluents only after primary screening to remove solid particles and ensuring that the pH is brought to between 6 and 8. In any case no suspended particles having specific gravity of more than 0.9 should be let out along with the effluent. Rubber-based units shall remove rubber completely by coagulation before discharging effluents to the system. Ceramic units shall discharge their effluents to the system only after getting suspended particles above 50 microns to settle down by passing the effluents through settlement tanks even if it takes more than four hours. In case of sewage, fresh excreta should not be let out into the system.
5. The Unit shall make an interest-free initial deposit to CSEZ, equivalent to two months' projected charges payable by the Unit for water consumption and treating their effluents, put together. In the event of the Unit consuming more than the contracted volume, the deposit amount shall be revised accordingly and the Unit shall pay the same.
6. The Unit shall pay the water supply charges as fixed by CSEZ from time to time. At present the rate shall be Rs.15.00 per KL, and will be applicable for six months. Thereafter, the charge is liable to be revised by CSEZ upward or downward, based on changes in costs, every year or upon revision of power charges, whichever occurs earlier.
7. The Unit shall pay the Effluent Treatment Charges as fixed by CSEZ from time to time. CSEZ shall fix the charges on the basis of BOD, TDS, suspended solids and odour of the effluents discharged by the Unit. Depending on the characteristics of the effluent, the Unit shall in the following categories:
 - (a). If the Unit is not carrying out any wet processing activity and discharges only domestic effluents, these effluents shall be considered as non-trade effluents and their treatment charges shall be @ Rs.13/- per KL.
 - (b) Effluents from Units that are carrying out wet processing for their manufacturing and plant/floor washings from all other units shall be categorized as trade effluents, which shall fall into one of four classes.
 - (i) If the Unit's effluent has BOD above 1800mg/litre or COD above 5000mg/litre, or color above 3000 Hazen units (Pt-Co unit) or emits

- highly irritating foul smell, these effluents shall be considered as 'Very High Polluting' and the treatment charges shall be @ Rs.39/- per KL.
- (ii) If the Unit's effluent has BOD between 1200mg/litre and 1800mg/litre, or COD between 2000-5000mg/litre, or color between 1500-3000 Hazen units(Pt-Co- unit)or TDS above 10000mg/litre, these effluents shall be considered as 'High Polluting' and the treatment charges shall be @ Rs.29/-per KL.
 - (iii) If the Unit's effluent has BOD between 800mg/litre and 1200mg/litre, or COD between 1000-2000mg/litre, or color between 750-1500 Hazen units (Pt-Co unit) or TDS between 2100mg/litre and 10000mg/litre, these effluents shall be considered as 'Medium Polluting' and the treatment charges shall be@ Rs.26/- per KL.
 - (iv) If the Unit generates trade effluents and if they do not fall in the above three categories , these effluents shall be considered as 'Low Polluting' and their treatment charges shall be @ Rs.18/-per KL.
- (c) If the Unit has both trade and non-trade effluents, charges to be paid by the Unit shall be cumulative of the charges for class (a) and the respective sub division of class (b) above. The quantity of non-trade effluents shall be calculated at the rate of 35 liters/person/per 8 hour shift and the remainder of the effluents shall be considered as trade effluents and charged accordingly.
8. CSEZ may revise the Effluent Treatment Charges upwards or downwards once in 3 months based on changes in costs, or upon revision of the power charges, whichever occurs earlier.
 9. CSEZ may collect samples of the Unit's effluents for analysis as and when it feels necessary. Based on the average analysis during every three month period the 'class of effluent' of the Unit shall be reviewed and corresponding charges applicable to the new class shall be effected for the next quarter.
 10. CSEZ or their nominated agency shall raise bills for the water supplied to the Unit as well as for effluent discharged before 5th of every succeeding month based on the meter reading taken by the representative of CSEZ, and the Unit shall pay the bill amount on or before 10th of that month.
 11. If the Unit does not pay the charges on or before the 10th of the month, a fine of Rs.50/- per day shall be levied per each day of delay till 20th of the month. If the Unit does not pay even after 20th of the month, then CSEZ may disconnect the water supply to the Unit on 21st of the month without any further notice. In addition, CSEZ may set off the deposit towards the amounts due from the Unit by way of charges, fines, costs, losses or any other amounts.
Provided it shall be open to CSEZ to realize any outstanding amounts owed to it by the Unit under this agreement as if it were an arrears of land revenue under the provisions of the Revenue Recovery Act.

12. The Unit shall install an accurately calibrated meter with meter chamber in the manner specified by CSEZ at the Unit's cost for measuring water consumption. The control over the meter will rest with CSEZ.
13. The Unit may install a suitable meter at their cost in the manner specified by CSEZ for measuring the effluents being discharged by the Unit into the common effluent line, if they wish to do so; otherwise, the volume of effluents discharged will be taken as 80% (eighty percent) of the water consumed.
Provided however that in the case of Units drawing water from sources other than CSEZ Water Supply System the quantity of non-trade effluents shall be calculated at the rate of 50 liters/person/per 8 hour shift.
14. The Unit will be at liberty to be present at the time of taking the reading of the meters. A water/effluent card will be issued to the Unit by CSEZ and it will be updated by CSEZ/their representative at the time of taking meter readings.
15. The Unit shall declare to CSEZ in writing on the last working day of every month the total man-shifts employed during the month by the unit.
Provided, however, that effluents of units which do not give this information in time shall be billed as trade effluent of the relevant class.
16. The Unit shall keep the meter chambers and meters safely and without tampering. If the Unit notices any malfunctioning of the meters, it shall intimate to the ADC (Estates) in CSEZ forthwith.
17. CSEZ shall have the right to inspect the meters at all times. The opinion of the CSEZ as to whether a meter is functioning properly or not will be binding on the Unit and the Unit shall get the meter rectified/replaced at their own cost forthwith, and at any rate not later than 24 hours of receiving such intimation. If the Unit fails to get a meter, notified as faulty by CSEZ, rectified or replaced within 24 hours on its own, CSEZ shall have the right to replace the same and recover the cost from the Unit.
18. The Unit shall not be entitled for drawl of water without a functioning meter. If however, the Unit continues to draw water even when its meter is not functioning properly, the Unit shall be billed based on its average consumption of previous three months increased by 10% until a proper meter is installed or until disconnection is effected, whichever is later.
19. If the Unit has installed a meter for measuring effluents, the Unit shall not be entitled to discharge effluents without a functioning meter. If however, the Unit continues to discharge effluent even when its meter is not functioning properly, the Unit shall be billed based on its average discharge of previous 3 months increased by 10%, until a proper meter is installed.

20. No direct water connection shall be given by the Unit to the flushing cistern of water closets or lavatories. Connection to flushing cisterns shall be given only through overhead tanks, which will have to be provided by the Unit.
21. If the Unit is found to be tampering with the pipes or any installation connected with water supply/effluent discharge, it shall be liable for disconnection of water supply/effluent discharge and imposition of fine as decided by the Development Commissioner, Cochin SEZ.
22. The Unit shall be responsible for the maintenance and upkeep of the water line upto and including the water meter, while CSEZ shall be responsible for the good condition of the system beyond the water meter.
23. The Unit shall be responsible for the maintenance and upkeep of the effluent discharge line up to the common header (manhole) including the meter(if installed) while CSEZ shall be responsible for the good condition of the system beyond the common header (manhole).
24. The Unit agrees that the Development Commissioner, Cochin SEZ shall have full authority to decide on issues connected with water supply and effluent treatment/discharge.
25. CSEZ shall endeavor to run the water supply system and the effluent treatment system in an integrated manner so as to minimize the impact on the environment from the operation of the Cochin SEZ as a whole.
26. CSEZ shall endeavor to run the system in a cost-efficient manner. CSEZ may run it either directly or through a nominated agency. CSEZ will endeavor to run the system on a 'no-profit-no-loss' basis, and shall take care to compute charges in a manner reflecting this concern. The charges should be sufficient to cover the operating and maintenance costs, and any other costs actually incurred such as, but not limited to, water cse and fees payable to Government and statutory agencies, and should also provide for replacement of the system or its parts as well as for management fees. The accounts for the system shall be computed diligently and made available for inspection to the units at the end of each month.
27. CSEZ will endeavor to deliver treated water and draw effluents without interruption to the operation of the Units. However, CSEZ shall not be held responsible by the Unit for any consequential loss or damages arising out of disruption or stoppage of its water supply/effluent collection.
Provided that the Unit may take water by tanker lorries in case of a disruption in water supply under the system, and intimate CSEZ of the quantity so taken.
28. All disputes and differences regarding the charges payable under this Agreement which are raised by the Cochin SEZ Industries Association through a resolution as touching the generality of units in the Zone, shall be referred to the arbitration of two arbitrators, one each to be appointed by CSEZ and Cochin SEZ Industries

Association. The Arbitration so appointed shall appoint an umpire in the manner provided in the Arbitration and Conciliation Act, 1996. It will be no objection that the person appointed as Arbitrator on behalf of CSEZ is or was an employee of the Government, and/or that in the course of his duties as such employee of the Government he had expressed a view on all or any of the matters in dispute or difference. In the event of either or both of the Arbitrators dying, neglecting or refusing to act or resigning or being unable to act for any reason, the substitute(s) to be appointed by the concerned parties shall be entitled to proceed with the reference from the stage at which it was left by the previous Arbitrator(s). The cost of and in connection with the arbitration shall be in the discretion of the Arbitrators who may make suitable provisions for the same in their Award. Subject to the aforesaid, the provisions of the Arbitration and Conciliation Act 1996 and the Rules there under and statutory modifications thereof for the time being in force shall apply to the arbitration proceedings under this clause.

IN WITNESS hereof these presents have been executed by the CSEZ and the Unit on the day and year first above written.

For Cochin Special Economic Zone

For

(C J Mathew)
Development Commissioner
Witness:

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