

MINUTES OF THE 17th MEETING OF MEPZ-SEZ AUTHORITY HELD ON 4th APRIL 2017

The 17th meeting of MEPZ-SEZ Authority was held on 4th April 2017 at 3.30 p.m. in the Conference Hall of O/o the Development Commissioner, MEPZ-SEZ, Chennai. While the meeting was chaired by the Development Commissioner, the following members were present in the meeting:-

- 1) Shri D. Anandan, I.A.S. – Joint Development Commissioner
- 2) Shri Amit Sharma, I.T.S., Asst. DGFT.
- 3) Shri R. Govindaraj, Managing Director, M/s. Pharmazell India Private Limited
- 4) Smt. Angeline Viji Samuel, Chief Financial Officer, M/s. Venture Lighting India Ltd.

The following officials also attended the meeting.

- 1) Smt. R. Anitha Nandhini, I.F.S. – Dy. Development Commissioner.
- 2) Shri K. Balasubramanian – Asst. Development Commissioner.
- 3) Shri V.K. Viswanathan – Asst. Development Commissioner.

The Development Commissioner welcomed the participants of the meeting and the following Agendas were discussed during the meeting.

I. FOR INFORMATION:-

The following points were taken up during the meeting for the information of the Members of the Authority.

- (i) Action taken on the minutes of the previous Authority Meeting held on 5.10.2016:- The Development Commissioner explained in detail about the e-Auction that was conducted by M/s. MSTC Limited on 3rd and 4th November 2016 for the 6 vacant plots in MEPZ-SEZ. He also informed the members that while 3 plots (B-32, D-6/II D and D-6/III) were allotted to M/s. Igarashi Motors India Limited, another plot (B-32 A) was allotted to M/s. Caretech Solutions Limited, both based on the highest biddings for the respective plots by these companies. In respect of 2 other plots (D-6/II B and D-6/II C) for which M/s. Technosoft was the highest bidder, the Company has not responded to the letters of this office requesting them to pay the security deposit and complete the other formalities. The DC informed that the matter is being taken up with the concerned Company.

- (ii) **Progress of works inside the campus:-** The members were informed about the progress of the construction works relating to RFID system. It was informed that about 90% of the civil works have been completed, that review meetings are periodically held by DDC(AN) and the work is likely to be completed by the end of April 2017.
- (iii) **Works to be executed:-**
- (a) **Provision of gates at the entrance and exit of the Zone at a cost of Rs.4.69 Lakh:-** The members were informed that tenders have been called for by M/s. KITCO Limited for this work and that the work will be completed by the end of May 2017.
- (b) **Provision of roof-top solar module on the top of RFID System at a cost of Rs.14 Lakh:-** The members were informed that tenders for this work have been called for by M/s. KITCO Limited and the work is likely to be completed by the end of June 2017.
- (iv) **Renewal of Fixed Deposits:-** The members of the Authority were informed by ADC(EM) that the Authority funds which were kept as Fixed Deposit for an amount of Rs.41.30 Crores with M/s. Indian Overseas Bank had matured on 11th March 2017 and the matured amount has been renewed for a period of 1 year with effect from 12.3.2017 in the same Bank based on the quotes of interest received from similar banks.

II. FOR APPROVAL:-

- (i) **Revamping of existing 1 MLD of Sewage Treatment Plant:-**

It was submitted to the Authority that the existing 1 MLD capacity Sewage Treatment Plant was installed in the year 2004 to treat sewage generated from the industrial units. But of late, sewage mixed with effluents were being let out by some units and the STP was unable to treat the sewage mixed with effluents. Moreover, the District Environmental Engineer, Tamil Nadu Pollution Control Board during routine inspection had instructed that the present STP may be revamped so that the efficiency of the STP can be improved to handle the sewage mixed with effluents. Accordingly, M/s. NBCC (India) Limited, a

Government of India Enterprise, was instructed to examine the proposal of revamping the present 1 MLD capacity STP. M/s. NBCC (India) Limited, had submitted a proposal for revamping the existing STP for improving its efficiency.

The proposal is to retrofit various components and adding new items to the existing STP to make it function at 1 MLD capacity, based on the study report of the analysis of existing sewage on site and needs of the Zone.

The estimate submitted by M/s. NBCC (India) Limited for revamping the existing 1 MLD STP is Rs.2.81 Crores.

It was also submitted to the Authority that due to urgency involved in this issue, Development Commissioner being the Chairperson of the MSEZ Authority had accorded Administrative approval for revamping the existing 1 MLD STP and the matter was placed before the Authority for approval and ratification.

The authority approved and ratified the approval given by the Development Commissioner for revamping of existing 1 MLD of Sewage Treatment Plant at a cost of Rs.2.81 Crores in view of the reasons mentioned above.

(ii) **Auction and allotment of plots/built up modules:-**

The members of the Authority were informed that the following Plot of lands along with the super-structure built on it is available for allotment by auction in MEPZ-SEZ campus:-

1. Plot No.A-11 (Area: 2034 Sqm), previously occupied by M/s. Ambition Clothing Limited.

Similarly, the following built up modules in the SDF Building in MEPZ SEZ campus are also available for allotment by auction:-

1. SDF Module No.28 (1st Floor – Area:301 Sqm).
2. SDF Module No.29 (1st Floor – Area:301 Sqm).
3. SDF Module No.30 (1st Floor – Area:301 Sqm).
4. SDF Module No.1 (Ground Floor – Area:200 Sqm).
(Gem and Jewellery complex)

The members were informed about the terms and conditions of the auction and that the e-auction will be conducted by M/s. MSTC Limited as was done in the recently concluded e-auction held on 3rd & 4th November 2016.

While the base rent for the auction of Built-up Modules in the SDF building was fixed at Rs.1463/- per sqm per annum based on the present Government rent for built up space in MEPZ-SEZ, the issue of fixing base rent for the plots was discussed and deliberated in detail. The members were informed by the ADC that since there is a high demand for space in MEPZ-SEZ, which is evident from the high bids received for the e-auction of 6 plots held on 3rd & 4th November 2016, it was proposed to fix a suitable formula for calculating the base rent for plots based on the bids received during the immediately preceding auction, which would be a reasonable reflector of the current market rate for the plots in MEPZ-SEZ.

The details of highest bids, lowest bids and the average of the bids of the past 3 auction proceedings were placed before the Authority. After detailed discussions, it was decided that the mean of the average bids of past 3 auction proceeds (there may be more than one plot in one auction proceeding) can be fixed as a formula for fixing the base rent for plots to be auctioned in MEPZ-SEZ. According to this formula, the mean of average bids of the last 3 auction proceedings comes to Rs.1,599/- to be rounded of to Rs.1600/- per sqm per annum. Therefore, the Authority decided to fix Rs.1600/- per sqm per annum as the base rent for the e-auction of the Plot to be auctioned now. The Authority also approved the other terms and conditions, EMD, etc. related to the present auction. It was also decided that the date of auction may be decided by the Development Commissioner in consultation with M/s. MSTC Limited.

iii) Revision of rent for the Plots and Built up modules in MEPZ-SEZ:-

As per the instructions from the Ministry, the annual rent for the plots and built up space in Government SEZs are to be increased @ 10% per annum. Accordingly, the last revision was carried out on 1.4.2016 and the next revision is due on 1.4.2017. Accordingly, rents are to be revised as follows:-

	Present Rent (in Rupees) (Per Sqm/Per annum)	Revised Rate (in Rupees) (Per Sqm/Per annum)
Plots	132.00	145.00
SDF Built up space	1463.00	1610.00

The members approved the revision of the above rates.

III. FOR RATIFICATION:

(a) Air Travel by ADC(KB):

On two occasions, Shri K. Balasubramanian, ADC was officially required to travel by Air to New Delhi due to urgency of the issues. The permission given by the DC for air travel by the ADC was placed before the Authority for ratification. The Authority ratified the same.

(b) Excess reimbursement of Mobile bills:-

The Authority was informed that during the financial year 2013-14 and 2014-15, an amount of Rs.18,709/- (11 monthly bills) and Rs.31,752/- (10 monthly bills) respectively were incurred towards the mobile charges of Dr. Swarna, I.A.S., former JDC, when she was holding additional charges as Development Commissioner/Chairperson of the Authority during the absence of a regular Chairperson. These amounts were in excess of the entitled amount for the officer. After deliberations, the Authority ratified the reimbursement of expenditure in excess of the entitlement as the officer was required to carry out both the functions of Development Commissioner and Chairperson of the Authority during the absence of DC-cum-Chairperson, MEPZ Authority.

IV. MISCELLANEOUS:-


(i) List of arrears of rent and other charges as on 31.3.2017:-

A list showing the details of arrears of rent and other charges to be paid by the Units in the Zone as on 31.3.2017 was placed before the Authority for information and discussion. The Chairperson of the Authority instructed the ADC to break up the details of the principal amount and the interest amount while submitting such list in future. With regard to the action to be taken against the defaulting units, the Authority decided that notices shall be issued to the defaulters for recovery of rent and other charges, failing which appropriate action to be taken against the Units for cancellation of the lease deed and other actions as deemed fit as per the SEZ Act and Rules in force.

(ii) Removal of trees fallen during the Vardha Cyclone:-

The members of the Authority were informed that during the Vardha Cyclone in December 2016, a large number of standing trees were uprooted in MEPZ campus. On a war footing, all these fallen trees were removed using earth-movers, bull dozers and Tipper Lorries and approach road to the Units were cleared immediately. The uprooted trees/broken trunks, branches were all accumulated at various locations in MEPZ campus. The Authority members were also informed about the fire accident that had taken place on 18th February 2017 due to the stacking of the combustible wood and tree branches and were explained about the potential hazard posed by the broken logs for similar such fire accident. Quotes were called by M/s. KITCO Limited from bidders who are interested in taking the logs/woods on auction. Only two quotes have been received so far in this respect. Considering all these aspects, the Authority approved the proposal to accept the highest bid of Rs.15,000/- offered by M/s. Green Landscape to ensure that the logs/woods are cleared at the earliest from the MEPZ campus.

At the end, the Development Commissioner thanked all the participants of the meeting and instructed the ADC concerned to carry out the works expeditiously as decided in the meeting.


ADC/EM