



भारत सरकार, वाणिज्य एवं औद्योगिक मंत्रालय
वाणिज्य विभाग, विकास आयुक्त का कार्यालय
मेप्स विशेष आर्थिक क्षेत्र तमिलनाडु, पाण्डिचेरी
अंडमान और निकोबार द्वीप समूह के शत-प्रतिशत
निर्यात अभिमुख एकक, चेन्नै - 45.

Government of India, Ministry of Commerce and Industry
Department of Commerce,
Office of the Development Commissioner,
MEPZ SPECIAL ECONOMIC ZONE &
HEOUs in Tamil Nadu, Pondicherry.
Andaman & Nicobar Island
Administrative Office Building,
National Highway-45, Tambaram, Chennai - 600 045.

No. 02/1/2011-12-MEPZ-SEZ-Authority
Dt.23/07/2019

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1. Shri. B B Swain, I.A.S, Addl. Secretary (SEZs), Ministry of Commerce and Industry, Department of Commerce, Udyog Bhawan, New Delhi	2. Shri. Varun Singh, I.T.S, Dy. Director General of Foreign Trade, Shastri Bhawan Annex, Haddows Road, Chennai – 600 006.
3. Shri. R. Chandra Sekaran, Director, M/s. Igarashi Motors India Pvt Ltd, Phase – I, MEPZ-SEZ, Tambaram, Chennai – 600 045.	4. Shri. MilindMungikar, Director, M/s. Zen Linen International Pvt. Ltd, Phase – I, MEPZ-SEZ, Tambaram, Chennai – 600 045.

Sir,

Please find enclosed a copy of the Minutes of the 21st meeting of MSEZ – SEZ Authority, held on 10/06/2019 in the Office of the Development Commissioner, MEPZ-SEZ under Chairmanship of Development Commissioner, MEPZ-SEZ

2. This is issued with the approval of the Development Commissioner.

Yours Sincerely,

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AS 23/7/19

K. Balasubramania
(K.BALASUBRAMANINA)
ASST. DEVELOPMENT COMMISSIONER

Copy to : DDC (AN) / PA to JDC / PA to DC

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MEPZ SPECIAL ECONOMIC ZONE

MINUTES OF THE 21st MEETING OF THE MEPZ-SEZ AUTHORITY (MSEZA) HELD ON 10.6.2019

The 21st meeting of MEPZ-SEZ Authority was held on 10.6.2019, MEPZSEZ, Chennai. The following members participated in the meeting:-

Sl.No	Name & Designation	
1	Dr. M.K.Shanmuga Sundaram, I.A.S, Development Commissioner, MEPZ-SEZ	Chairperson
2	Shri. D. Anandan, I.A.S, Joint Development Commissioner, MEPZ-SEZ	Ex – Officio member
3	Shri. Varun Singh, I.T.S, Dy. DGFT	EX – Officio member
4	Shri. R. Chandra Sekaran, Director, M/s. Agile Electric Sub Assembly Pvt. Ltd.	Member
5	Shri. Milind Mungikar, Director, M/s. Zen Linen International Pvt. Ltd.	Member

The following officials also participated in the meeting:-

- 1) Smt. Anitha Nandhini, Dy. Development Commissioner
- 2) Shri. K.Balasubramanian, Assistant Development Commissioner, MEPZ-SEZ

Agenda Item No.1:

The members of the Authority took note of the action taken with respect to the decisions taken in the 20th meeting of the SEZ Authority held on 13.12.2018.

Agenda item No. 2:

Development Commissioner, MEPZ SEZ explained the need for taking up each and every work in progress and its current stage members appreciated the efforts taken by the Zone Administration to create a shaded walk way considering the long pending demand by the units and unit employees and acknowledged that the work is getting executed in a prompt manner.

Agenda Item No.3.1:

MEPZMA operates a creche inside MEPZ and there are about 30 children are being taken care of during the daytime on working days of the employees who belong to different units.

The Authority agreed to the proposal to waive the water charges to the Creche Operated by MEPZMA, in public interest.

Agenda Item No.3.2:

Fixation of Lease rent in respect of Business Transfer Agreements or Mergers / Acquisitions etc.

In the 19th Meeting of the SEZ Authority held on 21.08.2018, the Members noted that some Business Transfer Agreements, Mergers/Acquisitions, Change in the Shareholding pattern and Ownership of Units are taking place within the Zone with a possible malafide intention of avoiding the auction of Plots/SDF Modules. The Authority also agreed that fixation of lease rent in such cases should be handled on a case to case basis, based on the complete background of the issues involved and by giving no room such cases. It was decided that lease rentals in such cases shall be fixed on market value based on the average of the highest bids received in the immediately preceding three auction proceedings held by the Authority.

In pursuance of the aforementioned decision taken in the 19th meeting of the Authority, the Members examined the case of M/s. Lucky Exports which had acquired majority shares in the partnership firm of M/s. Muru Jewelleries and the case of M/s. Swabs India Private Limited which had transferred the business of Corrugated Boxes to M/s. Manav Packaging Private Limited. The Authority felt that in both these cases, the Lease Rent shall be as per the market rates to be arrived on the basis of the highest bids received in the immediately preceding 3 auction proceedings held by the Authority. Accordingly, the H1 bids received in the past 3 auction proceedings were assessed and the following lease rentals were approved by the Authority for these 2 Units:-

Sl.No.	Name of the SEZ Unit	Plot/SDF Allotted	Lease Rent based on Market Value
1	M/s. Lucky Exports	Module No.8, Gem & Jewellery Complex	₹ 5200 per sqm per annum
2	M/s. Manav Packaging Private Limited	Plot No.A 18 and Plot A 19	₹ 2215 per sqm per annum

The revised lease rents shall come into force from the Quarter subsequent to the Quarter in which the UAC approved the above proposals.

Agenda Item No.3.3:

Revision of Lease Rent for the Plot / Built up modules in the Zone Campus:-

Shri.Milind Mungikar, member representing the industry submitted that the lease rent may be increased by 10% once in two years instead of one year.

2. The Development Commissioner, however informed him that the rates charged viz., ₹ 160/- per sq.mtr. per annum in respect of Plots and ₹ 1771/- per sq.mtr. per annum charged in respect of built up space are very low as compared to the current market values of the Plots/Modules. Therefore, it was decided to increase the Lease rent by 10% w.e.f. 1.4.2019 as per the following details:

Rent upto 31.03.2018	Rent proposed to be charged w.e.f. 1.4.2019
Plots ₹ 160 per sq.mtr. per annum	Plots ₹ 176 per sq.mtr. per annum
SDF (Built up modules) ₹ 1771/- per sq. mtr. per annum	SDF ₹ 1948 per sq. mtr. per annum

Agenda Item 3.4.

Operation and Maintenance of Access Control System using RFID technology:-

The members ratified the extension granted by DC- MEPZ to M/s. CMS Limited for the period from 1.11.2018 to 31.3.2019 and also approved the extension for a further period from 1.4.2019 to 31.10.2019 subject to the condition that the concerned agency should be instructed to make the system work as per its design. The members also noted the decrease in the Annual Operation and Maintenance cost from ₹ 1.04 crore to ₹ 95.94 lakh.

Agenda Item 3.5

Imposing penalty upon the SEZ Units who have unauthorisedly encroached the common space in the Zone:-

A Power Point presentation was made before the Members of the Authority with regard to the encroachments that have been made by some of the Units in the Zone in the common areas. It was also seen that some of the Units in SDF Modules have barricaded the corridors and have closed some of the exits to the stairway. The Members noted that this is a potential fire hazard and action should be taken immediately to remove such encroachments.

The Members directed that Notices should be issued immediately by the Estate Management Section to all such Units which have encroached upon the common area of the Zone to remove the encroachments within a specified time; failing which action should be taken under the Public Premises (Eviction of Unauthorised Occupants) Act, 1971. The Members also agreed that penalty should be imposed upon such Units in addition to collection of lease rentals for the encroachments made till date. The Members reiterated the fact that all fire exits should be kept free for access and the Units encroaching upon and blocking the fire exits shall be dealt with strictly.

Agenda Item 3.6

Proposal for Adoption of Annual Accounts of MEPZ Authority for the year 2018-19.

The MEPZ SEZ after deliberations adopted the Annual Accounts of the MEPZ-SEZ Authority for the year 2018-2019 subject to the following observations:-

- a) Since Sundry Debtors have been accounted for based on bills raised / realisable from the units till previous year, no provision was considered necessary towards Bad and Doubtful debts. From current year the MSEZ Authority has decided to make a provision for Bad debts outstanding for more than 3 years as on reporting date. Accordingly, an amount of ₹ 707.89 lakh was provided for during the year towards Bad and doubtful debts.

Further, the Members of the Authority noted with concern that a huge amount of arrears of Lease Rent, Garbage Charges, Security Charges and Water Charges are yet to be paid by some of the Units in the Zone. The Members were informed about the Notices that have been issued to the Units to settle the arrears at the earliest and also the fact that most of the Units have not responded to the Notices so far. The Members of the Authority directed the Estate Management Section to take further necessary action in the matter and also decided to deny access to the SEZ Online System to those Units who have not responded to the Notices issued to them. The members felt that since some of the defaulters are showing least importance to the clearing of arrears, denying access to the SEZ Online is inevitable to ensure that the Government revenue is protected. The Members also directed the Estate Management Section to take further necessary action under the Public

Premises (Rent Recovery and Eviction of Unauthorised Occupants) Act,1971 for recovery of the arrears from the defaulting Units. The Members also advised the Estate Management Section to maintain the acknowledgements received from the Units for the Notices issued as a proof of having informed the Units about the proposed course of action. The Members decided to review the action taken for collection of arrears in the next Authority meeting.

b) Grants received from Govt. are accounted on realisation basis up to the previous year. From the current year(2018-2019), the Grants in Aid realisable is also taken into account

Project Name	Grants in Aid Received during 2018-2019 (₹ in lakh)
Being the 1 st installment of Revamping of 1 MLD Sewage Treatment Plant (STP) received as on 31.3.2019	₹ 63.00
Being the 1 st installment of Construction of 2.5 MLD Sewage Treatment Plant received as on 31.3.2019	₹ 259.00
Total Grants and Aid received as on 31.3.2019	₹ 322.00
Grants in aid receivable being the 2 nd installment of Revamping of 1 MLD STP	₹ 62.00**
Total Grants in aid	₹ 384.00

** The balance receivable from the Ministry of Commerce and Industry towards Revamping of 1 MLD Sewage Treatment Plant under Trade Infrastructure For Export Scheme (TIES).

Agenda Item No.3.7

Taking into MEPZ-SEZ Authority Accounts the properties evicted by MEPZ.

The Members of the Authority discussed the issue of taking on record the ownership of some of the buildings left over by the exited/evicted units. However, the Members decided to defer this action for want of further inputs.

Agenda Item No.3.8:

Proposal to write off Tax Deducted at Source (TDS) on account of Interest on Fixed Deposits.

Since MEPZSEZ Authority cannot seek refund of TDS from the Income Tax Department, it has been decided to write off an amount of ₹ 2,91,349/- being the TDS deducted by the Indian Bank.

Agenda Item No. 4

MEPZ-SEZ Authority ratified the renewals of Fixed Deposit as per the details in the Agenda.

Agenda Item No.5

5.1 Health Centre

The Members discussed about the setting up of a Health Centre within MEPZ-SEZ and the fact that a Health Centre is a very essential requirement for a Zone in which more than 40,000 employees are working, to provide minimum First Aid to any victim of accident or employees falling sick while on duty. The Members also discussed the request made by M/s. MEPZMA for allotment of a suitable place within the Zone for setting up of the Health Centre.

Two possible locations for setting up of the Health Centre, viz (1) M/s. Vehicle Management System building and (2) Ground Floor of the Building located near the Pedestrian Access were examined. After detailed deliberations, it was decided to allot the Ground Floor of the Building located near the Pedestrian Access to MEPZMA for the purpose of setting up of the Health Centre, considering the locational advantage of this building for those to visit the Health Centre and also for movement of ambulance in case of emergency. The Authority decided to allot the premises initially for a period of 2 years, which can be extended for further period based on the performance of the Health Centre. The Authority also noted that since the same premises was earlier used by MEPZMA for the purpose of running a Creche, it would be more appropriate to allot the same premises to MEPZMA for the purpose of setting up of the Health Centre. The Members also approved the Terms and Conditions for the allotment of the premises to MEPZMA. Since the said premises require some face-lifting and renovation works, the Authority decided to carry out the renovation works as early as possible. So that the Health Centre can be set up without any delay.

The Members directed that MEPZMA should exercise due diligence in identifying a suitable entity for operating the Health Centre and shall enter into a proper agreement with that service provider to avoid any future litigations.

Agenda Item 5.2

Administrative approval for works awarded by the Development Commissioner

The MEPZ Admin block is G+2 structure that houses the offices of Development Commissioner, Joint Development Commissioner and other offices of the Development and the Customs Wing. The office has two sections, a record room, a conference hall named after Dr. A.P.J. Abdul Kalam, cabins for EPCES and NSDL and a visitor's room. There are a total of 15 Officers and 61 staff seated in this block, assisting the Development Commissioner in his regular operations.

Apart from that an average of 100-150 persons, belonging to the units / Developers or CHAs visit these officers for various reasons. One of the most important events of the month is the UAC that is held in the Dr. A.P.J. Abdul Kalam Conference Hall; in addition to Open House meetings, Review meetings, Seminars, Awards Event, Commemoration events etc., which see large gathering of people associated with SEZ and EOUs.

In recent times, as the scope of work and functions of the office of the Development Commissioner has increased due to changes in Act and Policy, there is a need to enlarge the

available space to accommodate the additional spatial requirements entailing such broadened scope. To elaborate upon the same, the following are an indicative list of requirements which have become necessary to effectively operationalize the mandate of development as prescribed for the office of the Development Commissioner.

1. A conference hall to accommodate a minimum of 100 pax to host trade related shows, congregation of trade bodies, award events, exhibitions etc., as the currently available conference hall can hardly accommodate 50 – 75 pax. An adjacent visitors lounge that will double up as mini-conference hall in order to facilitate one to one meetings during Ministers / Secretary's visits, which as of now, has no such facility in the Admin Block.
2. Additional cabins / seating for the officers as the number of staff has increased steadily over the years.
3. Storage space to keep the files and records as the current storage space has been insufficient. The ever increasing paperwork involved in MEIS, which are received in thousands per year may be a case in point.
4. Additional guest rooms that will house the important dignitaries during their visits and thereby reducing the resulting expenditure on hotel accommodation.

Considering the above key benefits in the long run, the MEPZ SEZ Authority ratified the approval given by the DC for construction of III Floor in MEPZ Admin Office Building.

Agenda Item 5.3

Details of E-auction conducted on 10.5.2019 in respect of Plots / SDF

The MEPZ-SEZ authority noted and ratified the following E-auctions as well as the terms and conditions of the e-auction conducted through MSTC on 10.5.2019.

Sl.No.	Plot	SDF	Area in Sq.Mtr	H-1 Bid Received in ₹
1	A-11	-	2034	3410
2.	B-21	-	4835	1560
3.	-	Module No.20 SDF-III	323	7011
4.	-	Module No.21 SDF	323	7801
