

MEPZ SPECIAL ECONOMIC ZONE, CHENNAI

MINUTES OF THE 28TH MSEZ Authority MEETING HELD ON 28.03.2023 AT 3.00 PM

The 28th meeting of the MSEZ Authority was held on 28.03.2023 at Dr.APJ Abdul Kalam Hall, Admin Office, MEPZ SEZ. The following Members of the Authority had attended the meeting;

Sl. No.	Name and Designation	Position
1	Shri. Alex Paul Menon, IAS Development Commissioner	Chairperson
2	Kaladi Hrushikesh Reddy, ITS Deputy Director General of Foreign Trade	Ex-Officio Member
3.	Shri. R. Chandrasekaran, Managing Director, M/s. Igarashi Motors India Limited, MEPZ SEZ	Trade Member
4.	Shri. Shyam Sundar Todi, Director, M/s. PMI Engineering Export Private Limited.	Trade Member

Shri. K. Prabu Kumar, Deputy Development Commissioner & Shri. M. Venkatraman, Assistant Development Commissioner, Estate Manager, MEPZ SEZ also had attended the meeting. At the outset, the Chairman & Development Commissioner, MEPZ SEZ welcomed the Members of the Authority. Thereafter, the Agenda items were discussed as mentioned below:

1. For Information

The Members of the Authority were informed of the action taken with respect to the decisions made in the 27th Meeting of the MSEZ Authority held on 15.12.2022.

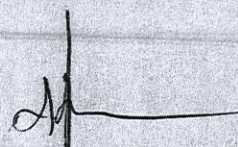
Agenda Item No.2

2. For Approval:

2.1: Master Health Check-up of all employees of the MEPZ Zone.

MEPZ is a predominantly manufacturing SEZ which caters to blue collar workers. Approximately 36,000 workers are placed in MEPZ out of which roughly 25,000 workers are in the manufacturing units. MEPZ is already providing OPD services in tie up with MEPZMA and Dr. Rela Institute of Medical Centre. To comprehensively cover the health needs of the labour class, it is important to hold annual health camps where focus is on preventive health care. The units were contacted in this regard and 41 units out of 76 units have provided employees details, which accounts to 8400 people. It is presumed that around 10,000 employees may turn up for the Health camp-2023. The following health procedures are planned: -

1. Height, Weight, Blood Pressure and Random Blood Sugar
2. General physician examination



3. Eye Examination
4. Dental examination
5. ECG
6. Echo
7. Mammogram and Pap smear

In this regard, discussion has been taken up by MSEZA and MEPZMA with Rotary Club as well as nearby hospitals like Dr. Balaji medical college and Dr. Rela Institute of Medical Centre. It is planned that the month long health camp will require a budgetary support of ₹ 40.00 Lakh.

This expenditure to be supported from MSEZA and CSR. Roughly ₹ 20 Lakh is proposed to borne by MSEZA, which will be allotted to MEPZMA to organize the Health Camp.

After understanding the importance of the health camp, the members of authority have cordially considered and approved the proposal.

2.2. Construction of New Admin Building 2.0 &

2.3. Renovation of the existing administrative building

The current administrative building of the MEPZ SEZ was constructed in 1990. Despite being in existence for over three decades, the building lacks adequate facilities that are required to cater to the growing manpower. One of the significant drawbacks of the building is the absence of an auditorium, which is essential for conducting meetings and conferences. Moreover, the old drainage lines of the building are damaged, and the overall infrastructure does not meet the modern standards.

In recent times, banks have been approaching the MEPZ SEZ Authority (MSEZA) for space within the premises. Additionally, the MEPZMA (Madras Export Processing Zone Manufacturers' Association) has requested the inclusion of more banks inside the SEZ for the convenience of the manufacturers. Currently, the administrative office houses only Indian Bank and Post office.

Considering these factors, it is proposed to address this issue by creating required common infrastructure. The first proposal is to renovate the existing administrative block and construct additional open space to accommodate banks, MEPZMA office, and a Health Centre/clinic. The second proposal is to construct a new administrative building, (AO 2.0) by incorporating modern facilities, such as a command control center, Customs office, discussion rooms, auditorium, and many other contemporary facilities.

The approximate cost of the **renovation of the existing administrative building** and the construction of the **new AO Building 2.0** is detailed below;

- a) The approximate cost of the **renovation of the existing administrative building** is estimated to be around ₹ 5.20 crore. Similarly, the construction of the new **A.O Building 2.0** is expected to cost approximately ₹ 45.21 crore.

These proposals are made mainly to provide adequate facilities to the SEZ's administrative staff, banks, manufacturers, courier and other stakeholders with adequate parking facility.

- b) The appointment of an agency for architectural and design services is necessary for the **construction of the new Admin Building 2.0**. For that, it is requested to select the agency through tendering process in CPP portal. **The estimated cost for architectural and design services for the new Admin building 2.0 shall be ₹ 2.75 Crore.**
- c) The appointment of an agency for architectural and design services is necessary for the **construction of Renovation of the existing administrative building**. Recently MSEZA had tendered for providing Architectural and Engineering Services for Development of Trade Facilitation Centre at MEPZ SEZ and it has been awarded to H1 bidder i.e., M/s. LOCUS Architects at 6.1% of the project cost. The proposed work requires similar services for construction. Due to time constraints and similar nature of work/services, it is proposed to award the work to M/s. LOCUS Architects for providing Architectural and Engineering Services Renovation of admin office building at MEPZ SEZ, Tambaram, Chennai on the same quoted rate of 6.1% of the project cost on repeat order basis with same Terms and Conditions as per the Tendered work. **The estimated cost for architectural and design services for the existing administrative building shall be ₹ 16.77 lakh.**

The authority after due deliberations, has approved the above proposals mentioned in item no 2.2, 2.3 and appointment of M/s. LOCUS Architects at 6.1% of the project cost on repeat order basis with same terms and conditions.

2.4. Renovation of Rear Gate building for Customs operations at MEPZ SEZ.

The Rear Gate building of the MEPZ SEZ was originally constructed for customs operations, but it has not been used for that purpose due to a lack of facilities. It has been decided to operate the Rear Gate 24/7 and provides access to cargo movements and employees, and makes it an ideal location for customs operations. Therefore, it is proposed to renovate the Rear Gate building and redevelop the entire Rear Gate area, including facilities for drivers with toilets.

The proposed changes involve installing the necessary equipment and infrastructure for customs operations, creating designated areas for cargo and passenger clearance, and ensuring compliance with all customs regulations. These modifications are essential to make the Rear Gate building suitable for customs operations.

- a) **The estimated cost for this renovation project is around ₹2.00 Cr approx.** Although this may seem like a significant investment, repurposing the Rear Gate building for customs operations would bring substantial benefits to the MEPZ

SEZ. Streamlining the import and export processes would help businesses operate more efficiently, and providing more convenient customs clearance services would improve the overall business environment in the SEZ.

Overall, repurposing the Rear Gate building for customs operations is a necessary step in meeting the evolving needs of businesses and employees in MEPZ SEZ. The proposed renovations will create a modern and efficient customs facility that would help facilitate business and promote growth in the region.

- b) The appointment of an agency for architectural and design services is necessary for the construction of Renovation of the existing Rear Gate building. Recently MSEZA has tendered for providing Architectural and Engineering Services for Development of Trade Facilitation Centre at MEPZ SEZ and it has been awarded to H1 bidder i.e., M/s.LOCUS Architects at 6.1% of the project cost. The proposed works require similar services for construction. Due to time constraints and similar nature of work/services, it is proposed to award the work to M/s. LOCUS Architects for providing Architectural and Engineering Services Renovation of Rear Gate building at MEPZ SEZ, Tambaram, Chennai on the same quoted rate of 6.1% of the project cost on repeat order basis with same Terms and Conditions as per the Tendered work. **The estimated cost for architectural and design services for the existing Rear Gate building shall be ₹ 12.20 lakh**

These proposals aim to provide adequate facilities to the SEZ's administrative staff, banks, manufacturers, and other stakeholders.

After due deliberations, the committee approved the renovation work of Rear Gate building for Customs operations at MEPZ SEZ.

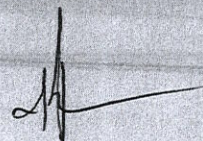
2.5 Engaging of one Strategy Consultant at the Associate level and one consultant at the Young Professional level

Department of Commerce aims to enable India to become a \$5 trillion economy and has envisaged achieving an ambitious target of \$1 trillion of trade in both Goods and Services by 2030. Further India has already signed or going to sign a slew of Trade Agreement with the various countries, which need to be implemented in next few years.

Keeping in mind all these developments it is important to strengthen the office of the Development Commissioner MEPZ with high quality resources to meet the above objectives.

In line with guidelines issued by DoC dated 16.02.2022 to engage Independent Consultant, it is proposed to recruit two resources; one as Strategy Consultant at the Associate level and other one at the Young Professional level.

It is proposed that 1 Strategy Consultant and 1 Young Professional may be engaged for an initial period of 2 years and may be extended for further period up to 3 years based on the performance of the Consultants.



It is proposed to pay a Salary of ₹ 60,000/- for the Young professional and ₹ 80,000/- to ₹ 1,45,000/- for Strategy Consultant based on the experience. The Financial implication for engaging above proposed 2 resources per annum would be ₹ 24,60,000/- and Recruitment cost for releasing advertisement would be ₹ 3,00,000. The total Financial implication will be of ₹27,60,000/-.

During the deliberation, It is also felt the need to manage the vast area of 262 acres of MEPZ estate by appointing a dedicated resource.

As these resources are recruited for the development of MEPZ, the proposed 3 resources shall be hired from the budget of MEPZ Authority.

After due deliberations, the members of authority has approved the proposal of engaging one Strategy Consultant at the Associate level, one consultant at the Young Professional level and one estate manager to manage 262 acres of MEPZ.

2.6. Rectification and Painting Works for Boundary/Compound Wall in MEPZ-SEZ.

The compound wall surrounding the MEPZ SEZ zone was constructed in the year 1984 and has undergone some repairs over the years. However, currently, the wall is in a deliberated condition in some locations, and urgent rectification works are required. Some areas are being scaled, and there are several social problems related to the wall.

To address this issue, the authorities have invited tenders for rectification and painting works for the boundary/compound wall in MEPZ SEZ. The estimated project cost for the tender is ₹ 1.02 crore. The evaluation of the tender is currently in progress.

The rectification works for the compound wall include repairing and rectifying the damaged portions, scaling and painting of the wall, and other necessary repairs. The rectification works will help to improve the overall appearance of the wall and prevent any further damage.

It is important to note that the compound wall not only serves as a boundary for the MEPZ SEZ but also plays a crucial role in ensuring the safety and security of the employees working within the zone. The wall protects the area from external threats and also acts as a deterrent to potential intruders.

Overall, the rectification and painting works for the boundary/compound wall in MEPZ-SEZ are essential to ensure the safety and security of the employees working within the zone. By addressing the issues related to the wall, the authorities will create a safer and more secure working environment for all employees at MEPZ.

After due deliberation, the Authority ratified the decision.

2.7. Revised estimate approval for TFC project.

The earlier proposal for the Trade Facilitation Centre with Ground floor and First floor structure with the built-up area of 50,590 sq.ft. include 2 Conference Rooms with a total of

390 persons seating capacity, Product Exhibition Centre, Multipurpose Hall, Gallery Spaces, Business Training Centre, Board Room, Business Incubation Office Spaces, Accommodation Facilities and Lounge. Keeping the requirement as specified, design has been developed by including the following;

- Flexibility of the Auditorium has been enhanced to have variable capacities from 140 to 800 people at a time.
- An Open Air Theatre (OAT) has been included in the interior space.
- Due to the level difference, additional filling and height has been accommodated at the entrance.
- Additional plinth height increase has been necessitated for the already existing shuttle court.
- With the increased capacities of spaces and people capacity, additional lifts and staircases have been necessitated.
- Covered Parking spaces taking advantage of existing site slope for parking Cars – 50 numbers, two wheelers – 81 numbers have been included.
- Interior facilities like movable acoustical sliding panels between the Conference Rooms, mechanical equipment like Lifts, Scissor Lifts for stage, Audio Visual Devices and equipment's like Digital Screen and Panels have been proposed in the building.
- Additional facilities like Gym and Indoor Play area have been added.

The super built-up area with incorporating all these facilities has been increased to **1,16,677 sq.ft.** In view of that there has been an increase in the cost of the project to approximately ₹ **73.75 crore** against 34.47 crore as per DSR 2021 of CPWD.

Earlier, the project was appraised at a cost of ₹ **3826.39 Lakh** and the 44.66 % of the project cost (i.e.) ₹ **1708.84 lakh** (excluding furniture, design, contingencies, etc.) was sanctioned under the Trade Infrastructure for Export Scheme (TIES) and the remaining cost of ₹ **2117.55 lakh** was planned to borne by MSEZA fund. With the increased project cost, the additional project cost of ₹ **5667.00 Lakh** (approx.) will be funded through MSEZ Fund. The revised financial structuring is tabulated below:

Sl. No.	Project Contribution source	Appraised Contribution	Revised Contribution
1	TIES	1708.84	1708.84
2	Implementing Agency	2117.55	5667.00
Total (in Lakh)		3826.39	7375.84

Further, the project is planned to execute locally so that the civil works will be executed along with the Interior facilities.

After due deliberations, the members of authority have accepted the revised super built up area of TFC estimation and the revised cost as mentioned above.

2.8. Construction of New Canteen Building at Garden of Peace

The lack of a proper canteen in the MEPZ SEZ is a major issue for the 25,000 employees working in the 100+ Units operating within the 252 acres of land. Currently, the only canteen available is in poor condition and serves only tea, coffee, and snacks. As a result, employees are left with no choice but to bring their own food or go outside the SEZ for lunch.

To address this issue, it has been proposed that a new canteen building be constructed. This new building should be designed with modern furniture and equipment to provide employees with a comfortable and pleasant experience. However, several factors need to be considered when planning this new canteen building.

The location of the new canteen building should be easily accessible and convenient for employees. This means that the building should be located in a central location within the SEZ, close to where the majority of the units are located. Additionally, the building should be easily accessible from all parts of the SEZ, including parking areas and transportation hubs.

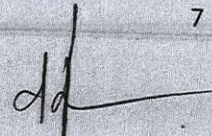
The design of the new canteen building should be functional and fascinating. This may require the help of an architect to ensure that the building meets the needs of the employees while also being visually appealing. The design should include ample space for seating, food preparation, and serving areas, as well as restrooms and other amenities.

The furniture and equipment in the new canteen building should be up-to-date to provide a modern and comfortable environment for employees. This includes tables, chairs, and other furniture, as well as appliances for food preparation and storage. All equipment should be of high quality and maintained regularly to ensure its continued functionality.

Overall, the construction of a new canteen building in the MEPZ SEZ is an essential step in improving the working conditions, congenial atmosphere and overall well-being of the employees working here. By considering all of these factors during the planning and construction process, a new canteen building shall be designed and built to meet the needs of the employees and provide a comfortable and pleasant dining experience.

a) **The Approx. cost shall be ₹ 3.17 Cr.**

b) The appointment of an agency for architectural and design services is necessary for the construction of New Canteen Building at Garden of Peace. As you are aware that recently MSEZA has tendered for providing Architectural and Engineering Services for Development of Trade Facilitation Centre at MEPZ SEZ and it has been awarded to H1 bidder i.e., M/s. LOCUS Architects at 6.1% of the project cost. The proposed works require similar services for construction. Due to



time constraints and similar nature of work/services, it is proposed to award the work to M/s. LOCUS Architects for providing Architectural and Engineering Services Renovation of Rear Gate building at MEPZ SEZ, Tambaram, Chennai on the same quoted rate of 6.1% of the project cost on repeat order basis with same Terms and Conditions as per the Tendered work. The estimated cost for architectural and design services for the New Canteen Building at Garden of Peace shall be ₹ 19.34 lakh.

After due deliberations, the authority approved the above proposal.

2.9. Revision of Lease Rent for the Plot / Built up / Public Demand Modules in the Zone Campus: -

The Lease Rent details prevail at present is given below:-

Rent as on date prevails with effect from 01.04.2019 onwards	Rent proposed to be charged with effect from 01.04.2022 onwards.
<p><u>For Plots -</u></p> <p>₹ 176/- per Sq.mtr / annum for IT/ITES Units.</p> <p>₹ 171/- per Sq.mtr / annum for Non-IT/ITES Units.</p> <p><u>For SDF Modules: -</u></p> <p>₹ 1948/- per Sq.mtr / annum for IT/ITES Units.</p> <p>₹ 1895/- per Sq.mtr / annum for Non-IT/ITES Units.</p>	10% increase from the current rate

The rent for the public demand such as Indian Bank, Central warehousing Corporation, Amelio , BSNL telephone exchange etc. was not revised due to Covid 19 .The same also will be revised as per the lease agreement.

Due to prevailed COVID situation, as per the direction of Government of India, the Lease Rent has not been increased for the last two years. i.e. 2020 & 2021. Further this office had examined representation of various Units and MEPZMA and had not raised the rent the FY 2022-23 considering the global scenario post covid-19 situation.

In view of the above MEPZA has agreed to ratify the non-increase of lease rent for the year 2022-23 and revise the lease rent at 10% increase with effect from **01.04.2023** as per the laid down conditions in the lease deed of the Unit.

2.10. Engagement of Legal firm for handling NCLT, HC cases, litigation etc.,

MEPZ Authority administers the operation and maintenance of MEPZ SEZ and it collects the revenue receipts from the units functioning in the Zone and incurs expenditure on maintenance of the Zone. In this context, there are several demand notices sent to the Unit

against the charges for Rent, Water charges, and Private Security charges, which are outstanding over a long period to the tune of ₹ 60.00 crore from 47 Units inside MEPZ. In spite of regular follow up and various efforts taken by the MEPZ Authority, Units still default in paying the dues. In this regard, MEPZ Authority requires legal expertise to take any legal action for the recovery of the dues by the way of issuing legal notices and handling any litigation so as to ensure recovery of overdue from the Units with applicable interest.

Further, there are several sick Units that are under arbitration at NCLT and Hon'ble Courts, which requires legal support in dealing with such Units for a smooth exit from the Zone to enable the authority to vacate the lands auction for rent to the prospective bidder. This will, in turn, generate revenue to the Government exchequer instead of the place is being kept ideal for a longer period and avoid loss to the exchequer. Also, MEPZ Authority deals with several cases filed in the Hon'ble High Court & Hon'ble NCLT wherein MEPZ is the respondent, in such matters legal expertise is necessary to understand the legal documents, draw conclusions, and establish links between legal entities so as to enable MEPZ Authority to draft the counter affidavit in an effective manner.

Under these circumstances, it is proposed that a legal firm may be engaged for assisting MEPZ Authority in handling legal matters. The approximate cost of engaging a legal firm is estimated to ₹15.00 lakh per annum and based on the performance of the legal firm their contract may be extend further. Based on the approval necessary documentation will be prepared to engage the Legal Firm.

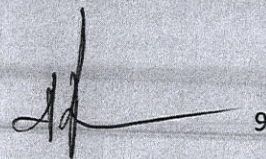
After understanding importance of Legal team, Authority members has accepted the proposal towards engagement of legal firm for handling court case matter of MSEZ authority.

2.11. Re-laying of road from MEPZ rear gate to Kadapperi Road.

The present road from MEPZ rear gate to Kadapperi Road is a 20 feet road which is currently in the dilapidated condition, due which the road is not being usable for the movement of container trucks. Further MEPZMA has given a representation requesting for widening of the road to 40 feet cement concrete road for a distance of 200 meters from rear Gate to Kadapperi Road for seamless movement of the truck.

In this connection, a discussion was held with the district Collector in the coordination meeting held on 23.02.2023, Chengalpattu and it was proposed that the funding for laying of 40 ft road shall be given from MEPZ funds as a permanent solution and the same shall be executed by Tambaram corporation smoothly without any hindrance. This proposal requires a clearance from the forest department which will be obtained in due course of time.

After due deliberations, the committee has approved the proposal towards Re-laying of road from MEPZ rear gate to Kadapperi Road.



2.12. Installation of one high mast light at Rear gate near Burma colony.

There is no street light at rear gate near Burma colony and the lights including cables are being stolen by the outsiders. Also in the recent times several grievances received from the staff working in MEPZ and they expressed anxiety for their safety to commute to their residence at nearby areas of rear gate. Considering the request of residence, especially the women employees to ensure safety of the people who commute through rear gate it is proposed to install High Mast light for better lighting. The approximate cost for erection and installation of one High Mast light is ₹5,00,000/-.

After due deliberations, the committee has approved the proposal towards Installation of one high mast light at Rear gate near Burma colony.

2.13. Storm water drain around Peripheral of MEPZ SEZ.

MEPZ SEZ, left few feet from the boundary area and constructed the compound wall for any future expansion plan but it was noted that these areas were encroached by the residences who are nearby these compound wall. Hence it is proposed that these encroached areas may be cleared and handed over to the TMC (Tambaram Municipal Corporation) and the area between Kadaperi area and Moulana Nagar can be put to use for public thoroughfare.

It is proposed that budget shall be allocated for construction of underground drain and above the drain provisions shall be made for pedestrians and two-wheelers. In this regard TMC has been requested to submit the estimates for the construction of storm water drain and track for two-wheelers and pedestrians.

After due deliberations, the committee has approved the proposal towards construction of Storm water drain around Peripheral of MEPZ SEZ

2.14. Revision of Garbage collection charges:

MEPZ SEZ Authority (MSEZA) had awarded the work of collecting garbage waste in MEPZ SEZ to a Vendor who is collecting garbage waste from the Zone on a daily basis. The scope of work is limited only to collect the office waste, food waste, garden waste of common areas, MEPZ office Building, and properly packed garden waste of the Units. The collection of industrial waste/manufacturing waste/production waste is not in the scope of work/contract, since the Unit has to pay duty on the production wastes and remove the same from the zone.

MSEZA collecting charges only for garbage collection of the Collectable wastes as mentioned above. Now it is proposed to remove the garden waste, interior waste which is not packed properly. Further the present pick up load of 55 trips is not sufficient to remove the entire waste from MEPZ SEZ zone. The presently MSEZA is raising the Quarterly garbage demand for ₹ 3.39 lakh and the collectable amount is approximately ₹ 2.5 lakh. Around 40 Units are sick and non- operational units. MSEZ authority incurs expenditure of ₹ 9.5 lakh per quarter towards removal of garbage from MEPZ SEZ zone. The rates have not been revised form the year 2018 whereas the contractor had revised the rate per truck load from ₹ 4960.00 to ₹

5500.00 i.e. an increase of ₹ 540.00/- (about 15 %) due to fuel rate and increase in labour cost. Therefore, it is proposed to increase the rate by 50% from the current rates in order to meet the expenditure incurred towards garbage removal from MEPZ SEZ zone.

Details are as mentioned below;

Area of the unit	Existing rate	Proposed rate (50%)
	Plot	
Less than 1000 Sq.m	₹ 240/- Per month	₹ 360/-Per month
1000 sq.m to 2000 sq.m	₹ 450/- Per month	₹ 675/-Per month
2000 sq.m to 5000 sq.m	₹ 630/- Per month	₹ 945/-Per month
5000sq.m to 7000 Sq.m	₹ 810/- Per month	₹ 1215/-per month
Above 7000 sqm	₹ 972/-Per month	₹ 1458/-per month

After due deliberations, the committee has approved the proposal towards revision of garbage collection fee with effect from 01.04.2023.

2.15. Status of Fund MSEZ Authority and Budget Estimates for the FY 2023-24

Details of Fund position as mentioned below:

	₹ In Crore
Demand raised for the FY 22-23	54.87
Receipt of fund for the FY 22-23*	44.77
Proposed income for the FY 23-24	61.79
Fixed deposit of Authority fund (as on date)	391.00

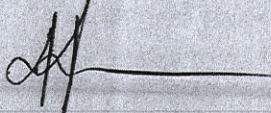
*Upto February 2023

The Expenditure incurred the various Heads for the FY 2022-23 (Upto Feb 2023) for an amount of ₹ 8.34 crore is placed before the Authority for ratification. Further the proposed Statement of Budget Estimates for the FY 2023-24 for ₹98.79 crore is placed before the Authority.

The Budget Estimates which includes the Capital Expenditure (Building & Structure) for ₹ 82.00 Crore towards Construction of Trade Facilitation Centre, M Access Parking Surveillance (MAPS), Renovation of the existing MEPZ Administrative Building, Construction of New Administrative Building (2.0), Rectification of Customs building at Rear Gate and Rectification of Compound Wall of MEPZ SEZ.

After due deliberations, the authority has ratified the expenditure incurred for the FY 2022-23 and took a note of Budget Estimates which includes the Capital Expenditure (Building & Structure) and proposed income for the FY 2023-24.

The Meeting concluded with word of thanks to the chairperson and the members.


PRABU KUMAR. K
 Dy. Development Commissioner
 Government of India
 Department of Commerce
 MEPZ Special Economic Zone,
 Tambaram, Chennai - 600 045.