

MEPZ SPECIAL ECONOMIC ZONE, CHENNAI

MINUTES OF THE 26TH MEETING OF THE MSEZ AUTHORITY HELD ON 12.07.2022

The 26th meeting of the MSEZ Authority was held on 12.07.2022 through Video Conferencing. The following Members of the Authority have participated in the meeting;

Sl. No.	Name and Designation	Position
1.	Dr. M.K. Shanmuga Sundaram, IAS Development Commissioner, MEPZ SEZ	Chairperson
2.	Smt.Rajalakshmi Devaraj, IDAS Zonal ADGFT, Chennai	Ex-Officio Member
3.	Shri. Alex Paul Menon, IAS Joint Development Commissioner	Ex-Officio Member
4.	Shri R. Chandrasekaran Managing Director , M/s. Igarashi Motors India Limited, MEPZ SEZ	Member
5.	Shri Shyam Sundar Todi , Director, M/s. PMI Engineering Export Private Limited.	Member

Shri. Prabu Kumar K, Deputy Development Commissioner, MEPZ-SEZ and Shri. M. Venkatraman, Assistant Development Commissioner, Estate Management, MEPZ SEZ also attended the meeting. At the outset, the Chairman & Development Commissioner, MEPZ SEZ welcomed the Members of the Authority.

Thereafter, the Agenda items were taken up as given below:

Agenda Item No. 1

1. For Information

- 1.1 The Members of the Authority were informed of the action taken with respect to the decisions made in the 25th Meeting of the MSEZ Authority held on 17.11.2021.
- 1.2 The current work progress towards Construction of Pedestrian Walkway at one side of the Road from Alleri Lake to M/s. Inga Pharmaceuticals and from M/s. A.R Exports to M/s. Italy Beauty Nippers Pvt. Ltd., was briefed to the Authority Members.
- 1.3 The current work progress towards Construction of Trade Facilitation Centre was also briefed to the Authority Members.

Agenda Item No.2

For Approval:

Agenda Item No. 2.1: Proposal for adoption of Annual Accounts of Madras Special Economic Zone Authority (MSEZA) for the Financial Year 2021-22.

The Annual Accounts of the MSEZA was placed before the Members. Shri. R. Venkatesh of M/s. Vaithisvaran & Co, LLP, the Consultants for maintaining the Accounts of MSEZA, explained in detail the present financial position of the Authority, the Receipts & Expenditure Statements and the Balance Sheet. After deliberations, the Members of the Authority approved and adopted the Annual Accounts of MSEZA for the year 2021-22.

Agenda Item No.2.2: Representations of MEPZ Manufacturing Associations for Reduction of Development Charges on new Allotment.

At present, vacant spaces are allotted to H1 Bidder through e-auctions conducted by M/s. MSTC Limited. The Terms & Conditions for e-auction and allotment of vacant plots and SDF Modules in MEPZ -SEZ are given below;

- Development Charges: 3 years rent @ ₹176/- sq.m. per annum (existing Government rate for plots); 18 month lease rent @ ₹198/- sq.m. per annum (existing Government rate for SDF modules) (Both are Non-refundable on exit from MEPZ SEZ)
- Security Deposit: 6 months rent at H-1 rate (refundable on exit from MEPZ -SEZ).
- First Quarter Rent: 3 months rent at H-1 rate.

MEPZ Manufacturer's Association has represented that the 3 years of Lease rent for the plot and 18 month of Lease Rent for SDF module towards Development Charges which are non-refundable is exorbitant & excessively high. They have requested for a reduction on both accounts.

The present, the methodology of charges levied to new allotment was explained in detail to the Authority Members. After deliberations, the Members of the Authority deferred the proposal of reduction of development charges and conveyed that a special committee shall be formed to decide on onetime payment or staggered payment with

interest provided as option to the Units and said interest rate to be proposed by the special committee shall be placed in the next meeting of the Authority.

It was decided by Authority members that Security deposit of six months will be continued and first advance quarter rent shall be scrapped.

Agenda Item No 2.3: Representations of MEPZ Manufacturing Associations for Reduction of private security charges to the SDF Units.

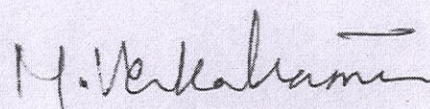
At present, all the Units (SDF/Plots) are paying 7.5% of the lease rent towards private Security charges to MSEZA.

With regard to above, MEPZ Manufacturer's Association has represented that the SDF Units rental rates are substantially higher compared to Units which operate at leased Plots. Further, MEPZMA has expressed SDF Units paying much more charges though there is no difference in services received by them from private Security Agency.

The present rate collected towards private security charges is 7.5% of rent. As discussed with respect to reduction of Private security charges, the Authority members have expressed to adopt common rate (%) for Unit operating in SDF and Plot.

It was decided during the discussion that, considering 10% increase with the present private security charges incurred, the rate of 7.07% was worked out, and hence a rate of 7% shall be fixed as the private security charges.

The meeting concluded with a vote of thanks to the Chairperson and the Members.



(VENKATRAMAN.M)

Assistant Development Commissioner
Estate Management, MEPZ SEZ

