

MEPZ SPECIAL ECONOMIC ZONE AUTHORITY

TAMBARAM, CHENNAI-45

MINUTES OF THE 31st Authority Meeting of MSEZA

HELD ON 26.03.2025 at 3.30 pm

The 31st meeting of the MSEZ Authority was held 26.03.2025 at 3.30 pm @ Dr. APJ Abdul Kalam Hall in Admin office, MEPZ SEZ. The following Members of the Authority have participated in the meeting;

Sl.N	Name and Designation	Position
1	Shri Alex Paul Menon IAS Development Commissioner	Chairperson
2	Shri C Arthur Worchuiyo, IAS Joint Development Commissioner	Ex-Officio Member
3	Smt Dhiya R Deputy Director General of Foreign Trade	Ex-Officio Member
4	Shri Jasbir Singh Gujral Managing Director, M/s Syrma SGS Technology Ltd	Trade Member
5	Shri Bhaskar Rao Ramineni Director, M/s HTS Global Services (India) Private Ltd.,	Trade Member

Shri. K. Prabu Kumar, Deputy Development Commissioner & **Shri. K. Vijayanandh**, Assistant Development Commissioner, M. Karthik Raja, Estate Manager, MEPZ SEZ, and MEPZ Manufacturing Association have attended the meeting. At the outset, the Chairman MEPZ Authority welcomed the members of the Authority. Thereafter the Agenda items were discussed as mentioned below;



1. For Information

Update on Actions Taken – 30th Meeting of MSEZ Authority (16.08.2024)

The Members of the Authority were informed of the actions taken based on the decisions made in the 30th Meeting of the MSEZ Authority. The following additional decisions with regards to the 30th MSEZ Authority meeting were made during the discussion:

Agenda no. 1.7 – Approvals & Procurement

- All the Units in MEPZ SEZ shall obtain UAC approval for an additional construction and also for construction of new buildings. No construction should proceed without approval from the DC's office.

Agenda no. 1.13 – Phase 3 Compound Wall Project

- The project is on hold due to pending design of the trunk infrastructure trench work. If the compound wall is damaged during trench excavation, it would require a reconstruction.
- Considering the interdependence of both works, the project is put on hold. In case of any future such work the same will be done through the same vendor who will be handling the trunk infrastructure

Agenda no. 1.17 – SDF-1 Roofing Sheet Work

- Due to design modifications and the requirement for solar panels, it is decided to undertake only 60% of the proposed roofing work in phase 1.
- Currently the roofing work for six blocks will be completed in the phase 1 while the remaining four blocks will be executed under the Phase 2 through tendering process.
- Upon completion, the roof area will be allotted to Units on rental basis.



Agenda no. 1.18 – Implementation of MAPS Project

- The project is delayed due to finalisation of designing of trunk infrastructure.
- The final location of smart poles and parking are not confirmed,
- Since the finalisation of trunk infrastructure design is pending it is decided to issue a full Go-Live certificate to the vendor with an undertaking letter from the vendor.

Agenda Item No.2

2.1 Post Facto approval for Placing Grating on Forest Cairn Stone & Concrete Patchwork at Rear Gate, MEPZ-SEZ

To enhance vehicle movement at the rear gate of MEPZ-SEZ, the existing forest cairn stone has been downsized. As per the instructions from the Forest Department, Tamil Nadu, MSEZ Authority should ensure that a 4-inch projection of the cairn stone remains above ground level and install a grating over it for safety and visibility. Additionally, the pending concrete road patchwork on the rear gate needs to be completed to facilitate smoother access for all vehicle movements. The proposed work includes the installation of grating over the forest cairn stone as per Forest Department, Tamil Nadu guidelines and the completion of concrete patchwork on the left side of the rear gate. The estimated cost for these works is ₹3.38 lakh.

After due deliberations, the committee has approved to proceed further on the same.



2.2 Post Facto approval for Supply & Installation of Dr. B.R. Ambedkar Statue in AO Block Garden, MEPZ-SEZ

A statue of Dr. B.R. Ambedkar is proposed to be installed in the AO Block Garden area, adjacent to the existing statue of Dr. APJ Abdul Kalam, as a mark of respect for his invaluable contributions to the nation. Dr. Ambedkar, the principal architect of the Indian Constitution and a champion of social justice, played a pivotal role in shaping modern India. Installing his statue will serve as a lasting tribute to his vision, ideals, and relentless efforts toward equality and empowerment. Additionally, it will inspire employees, visitors, and future generations to uphold the values of justice, liberty, and inclusivity. The estimated cost for supply and installation of Dr.B.R. Ambedkar statue is ₹12 lakh.

After due deliberations, the committee has accorded post facto approval for the same."

2.3 Post-facto Approval for Implementation of Online Consent Management & Monitoring System (OCMMS) for 1.0 MLD STP at MEPZ-SEZ

To enhance operational efficiency, emergency responsiveness, and adherence to environmental regulations in wastewater treatment, it is essential to implement an Online Consent Management & Monitoring System (OCMMS) for the 1.0 MLD Sewage Treatment Plant (STP) at MEPZ-SEZ. This system will provide a centralized platform for real-time monitoring and data-driven decision-making, effectively addressing challenges in tracking effluent discharge from various units. The Pollution Control Board has strongly recommended and mandated the



to M/s.Pandu Construction, Chennai and the 80% of the work has been completed.

After due deliberations, the committee has approved to proceed further on the same.

2.5 Approval for Annual Repair and Maintenance/ Special Repairs of Civil and Electrical Works including Operation of various Electrical/ Electro- Mechanical Services at MEPZ SEZ

It is required for the contractor to carry out repair works, including regular maintenance, minor, and special repair works. It is proposed to proceed with the Annual Repair and Maintenance/Special Repairs of Civil and Electrical Works, including the operation of various Electrical/Electro-Mechanical Services. The work includes the details of materials and manpower required for repair works throughout the campus, determined by the plinth area of buildings under MEPZ maintenance and the service area throughout the campus.

ARM work refers to the scheduled and systematic repair of buildings, infrastructure, and facilities to ensure they remain functional, safe, and in good condition throughout the year. This includes regular checks of all structural and non-structural components, including walls, roofs, plumbing, electrical systems, lifts, and air conditioning systems, as well as detailed evaluations of the condition of the building and its components to identify any wear and tear, damage, or areas needing repair. Regular servicing of equipment and systems (e.g., AC, lifts, and fire safety systems) prevents breakdowns and ensures they operate efficiently. This involves fixing small issues such as leaks, cracks, or minor electrical

implementation of this system to ensure strict compliance with environmental standards. The scope of work includes the supply and installation of the OCMMS for the 1.0 MLD STP, integration with the existing wastewater treatment infrastructure, deployment of real-time monitoring and reporting functionalities, and ensuring full compliance with Pollution Control Board requirements. The estimated cost of the work is ₹12.65 Lakh. The work was awarded to L1 bidder M/s.RL Technologies, Chennai and the work was completed successfully.

After due deliberations, the committee has accorded post facto approval for the same."

2.4 Approval for Repairing Damaged Walkway Poles & Landslide Prevention Measures at MEPZ-SEZ

The walkway from the Toll Plaza to AR Export Junction, constructed three years ago, has deteriorated due to corroded support poles, leading to sagging and instability. In some areas, poles are hanging without base support, posing serious safety hazards for pedestrians. Additionally, landslides along the SDF-5 compound wall and opposite the WAPCOS office during heavy rains have resulted in soil accumulation on the walkway, creating obstructions and potential risks for users. To prevent further erosion and blockage, the construction of a retaining wall is necessary. This work will address corrosion issues to restore structural integrity and implementing a retaining wall to prevent soil accumulation on the walkway during rains in managing water runoff and preventing soil erosion, thereby enhancing the walkway's safety. The total estimated cost for the project is ₹ 3.97 Lakh. The work was awarded



MSEZA incurs security charges on a monthly basis and recovers the same from units on a quarterly basis at 7.0% of the rent charges. In the financial year 2024-25, MSEZA paid approximately ₹3.64 crore towards security charges, while the recovery from units amounted to ₹3.46 crore, leaving a balance of ₹0.18 crore to be recovered.

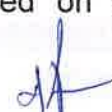
The variation arises due to the periodic revision of wages for TEXCO security personnel. Every three months, a Dearness Allowance (DA) revision is implemented, and annually, wages increase by approximately 10%. These adjustments lead to fluctuations in security costs, resulting in a shortfall in recovery. The outstanding ₹0.3 crore shall be recovered from the units on proportionate basis. This adjustment will align the actual expenditure with the amount collected and maintain financial sustainability for MSEZA. Recovering the ₹0.18 crore shortfall will help MSEZA manage security expenses efficiently and prevent financial discrepancies due to wage escalations. It is recommended to implement this recovery mechanism in the next billing cycle to maintain fiscal balance.

After due deliberations, the committee has approved to proceed further on the same.

2.7 Proposal for Penalty on Unauthorized Waste Disposal in Jeep Tracks

The Authority has undertaken a mass cleaning drive across the zone, including the jeep tracks, incurring an expenditure to the tune of ₹1.2 crore. Despite these efforts, some units continue to illegally dump waste in the jeep tracks, leading to repeated environmental and operational challenges.

- The Authority will clear the unauthorized waste dumped in the jeep tracks.
- To deter such activities, the clearing charges will be recovered from all Units at 10 times the actual cost incurred or ₹ 5 lakh whichever is higher.
- Notices will be issued to all Units regarding this decision, emphasizing strict enforcement.
- Continuous monitoring and stricter penalties will be imposed on repeat offenders to prevent future violations.



faults before they become major problems, as well as addressing unforeseen breakdowns or failures in the infrastructure, such as plumbing leaks, electrical faults, or structural damages. This work will bring damaged or degraded elements back to their original condition, including repainting, resealing, and refurbishing. Deploying the necessary skilled and unskilled labour to carry out the maintenance tasks efficiently will maintain the efficient operation of all systems and equipment, reducing energy consumption and operational costs. The estimated quantity of materials consists of regular maintenance/special repair work to be carried out throughout the year. The rates were mostly derived from the DSR (Delhi Schedule of Rates), SSR (State Schedule of Rates), and items of materials not present in both scheduled rates were incorporated from market rates. Manpower depletion is calculated according to minimum wages as per CLC norms and according to the needs of the campus, including highly skilled workers, semi-skilled workers, and helpers. Electrical workers will be licensed, and firefighting personnel will be deployed. This will regularize and optimize the operational maintenance and special repair work, and preventive maintenance will sustain building stability and reduce accidents due to natural hazards. The total estimated cost for the project comes to ₹ 2.73 Crore for a period of one year. The contractor was finalized through tendering process and the Work order yet to be issued.

After due deliberations, the committee has approved to proceed further on the same.

2.6 Proposal for Recovery of Excess Security Charges Paid by the Authority



After due deliberations, the committee has approved to proceed further on the same.

2.9 - Post Facto Approval for Construction of 3.5 MLD STP and 2.0 MLD CETP with ZLD

In the 29th Authority Meeting, approval was granted for the construction of a 2.0 MLD STP. The work was awarded to TWIC for Designing, DPR preparation and Tendering. However, following the completion of the MEPZ Vision 2030 document, it was decided to revise the capacity requirements to align with future demands. Accordingly, the plan was modified to construct a 3.5 MLD STP and a 2.0 MLD CETP with Zero Liquid Discharge to ensure sustainable wastewater management.

Proposal Details:

- The revised infrastructure will better cater to long-term wastewater treatment needs.
- The change aligns with the strategic goals outlined in the Vision 2030 document.
- Approval is sought for the post facto sanction of the revised capacities and associated costs.

After due deliberations, the committee has accorded post facto approval for the same."

2.10 Declaration of Financial Statement of 2024-2025

The introduction of the budget for FY 2024-25, starting from 01.04.2024, mirrors the government's budgetary process. Expenditures were carefully aligned with the allocated budget categories, ensuring responsible financial management. The declaration of the financial statement for FY 2024-25 signifies a



After due deliberations, the committee has approved to proceed further on the same.

2.8 Requirement of Plot and building for re-development of Master Plan to provide common facilities in MEPZ-SEZ

MEPZ-SEZ aims to enhance infrastructure and provide improved common facilities for its stakeholders. As part of the Master Plan redevelopment, there is a requirement for acquiring plots and buildings to facilitate the planned enhancements. This proposal outlines the necessity and justification for the procurement of superstructures from Efficient Lighting, Well Knite Apparels, and AV Tech, hall mark to support the redevelopment initiatives.

The primary objective of this initiative is to acquire the required land and buildings to develop modern, efficient, and sustainable common facilities in MEPZ-SEZ. These facilities will cater to various stakeholders and ensure optimal utilization of available space to support business operations and workforce requirements.

The acquisition of plots and superstructures from Efficient Lighting, Well Knite Apparels, and AV Tech is a strategic move to enhance the infrastructure of MEPZ-SEZ. This initiative will contribute to the long-term sustainability and efficiency of the zone, ultimately benefiting all stakeholders. Approval is requested for the purchase of superstructures and redevelopment to proceed with the necessary actions for successful implementation.

During the course of discussion, the Committee also proposed to take back the plots/building of M/s.Hall Mark Industries Pvt. Ltd., for the re-development.



pivotal moment in MSEZA's fiscal responsibility. This statement details our financial performance, encompassing expenses, investments, projects, and essential metrics, offering stakeholders a holistic perspective on our financial well-being and strategic

Budget Head	Budget Head Code	Budget Allotted	Budget Utilized	Balance Amount
Advertising and Publicity	3453-00-106-04-00-26A	1,50,000.00	0.00	1,50,000.00
Bank and Agency Charges	3453-00-106-04-00-39A	25,000.00	0.00	25,000.00
Medical Treatment	3453-00-106-04-00-06A	15,00,000.00	42,13,970.00	(-)27,13,970.00
Digital Equipment	3453-00-106-04-00-19A	5,00,000.00	3,13,695.00	1,86,305.00
Domestic Travel Expenses	3453-00-106-04-00-11A	3,00,000.00	1,10,130.00	1,89,870.00
Fuels and lubricants	3453-00-106-04-00-24A	4,00,000.00	10,90,895.00	(-)6,90,895.00
Materials and Supplies	3453-00-106-04-00-21A	10,00,000.00	0.00	10,00,000.00

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Minor civil and electric works	3453-00-106-04-00-27A	75,00,000.00	52,00,000.00	23,00,000.00
Office Expenses	3453-00-106-04-00-13A	5,00,00,000.00	4,99,76,525.00	23,475.00
Printing and Publication	3453-00-106-04-00-16A	3,00,000.00	0.00	3,00,000.00
Professional Services	3453-00-106-04-00-28A	4,00,00,000.00	9,92,03,974.00	(-)5,92,03,974.00
Rent, Rates and Taxes for Land and Buildings	3453-00-106-04-00-14A	6,00,000.00	0.00	6,00,000.00
Repair and maintenance	3453-00-106-04-00-29A	4,50,00,000.00	9,84,03,563.00	(-)5,34,03,563.00
Training Expenses	3453-00-106-04-00-09A	25,00,000.00	14,56,260.00	10,43,740.00
Wages	3453-00-106-04-00-02A	6,00,00,000.00	5,90,12,081.00	9,87,919.00
Furniture and fixtures	3453-00-106-04-00-74A	10,00,000.00	0.00	10,00,000.00
Revenue Expenditure - Sub Total		21,07,75,000.00	31,89,81,093.00	(-)10,82,06,093.00

Budget Head	Budget Head Code	Budget Allotted
Advertising and Publicity	3453-00-106-04-00-26A	1,50,000.00
Bank and Agency Charges	3453-00-106-04-00-39A	25,000.00
Medical Treatment	3453-00-106-04-00-06A	50,00,000.00
Training Expenses	3453-00-106-04-00-09A	15,00,000.00
Digital Equipment	3453-00-106-04-00-19A	5,00,000.00
Domestic Travel Expenses	3453-00-106-04-00-11A	3,00,000.00
Fuels and lubricants	3453-00-106-04-00-24A	10,00,000.00
Materials and Supplies	3453-00-106-04-00-21A	10,00,000.00
Minor civil and electric works	3453-00-106-04-00-27A	1,00,00,000.00
Office Expenses	3453-00-106-04-00-13A	6,00,00,000.00
Printing and Publication	3453-00-106-04-00-16A	3,00,000.00
Professional Services	3453-00-106-04-00-28A	10,00,00,000.00
Rent, Rates and Taxes for Land and Buildings	3453-00-106-04-00-14A	6,00,000.00
Rent for Others	3453-00-106-04-00-18A	30,00,000.00
Repair and maintenance		
Regular Maintenance	3453-00-106-04-00-29A	5,00,00,000.00
Special Maintenance	3453-00-106-04-00-29A	5,00,00,000.00
Wages	3453-00-106-04-00-02A	7,50,00,000.00
Furniture and fixtures	3453-00-106-04-00-74A	10,00,000.00
Trade Promotion	3453-00-106-04-00	10,00,000.00
Revenue Expenditure - Sub Total		36,03,75,000.00

Land Compensation	3453-00-106-04-00-78A	1,00,00,000.00	.00	1,00,00,000.00
Machinery and Equipment	5453-00-106-04-00-52A	25,00,000.00	0.00	25,00,000.00
Infrastructural Assets	5435-00-106-04-00-73A	25,00,000.00	0.00	25,00,000.00
Building and structure ** (Capital)	5453-00-106-04-00-72A	100,00,00,000.00	39,18,31,710.00	60,81,68,290.00
Capital Expenditure - Sub Total		101,50,00,000.00	38,46,18,687.00	63,03,81,313.00
Grand Total		1,22,57,75,000.00	71,08,12,803.00	51,49,62,197.00

After due deliberations, the committee has approved the financial statement for the FY 2024-25.

2.11. Declaration of Next Year Budget (2025-26)

As MSEZA embarks on the upcoming fiscal year, our attention is directed towards the pivotal task of budget allocation. This process forms the bedrock of our financial planning and resource management, shaping our priorities and initiatives for the year ahead. With meticulous consideration and strategic foresight, MSEZA aims to allocate resources efficiently, emphasizing value, infrastructure development within MSEZA, and impact across our organization. This forthcoming budget allocation signifies our dedication to prudent financial stewardship and our unwavering commitment to achieving our strategic objectives effectively.

The production waste from individual Units will go through proper processing and Units and factories will receive payments based on the quantity of waste they generate and strict monitoring will ensure wastes generated by the Units are being segregated properly by the Units only.

After due deliberations, the committee has approved to proceed further on the same.

2.13 Approval for old administration building outer painting, common toilet renovation and improving its functionality at MEPZ SEZ, Tambaram, Chennai-600045

The ongoing renovation of the existing Admin Building (Phase 1) was initially estimated at ₹5,53,03,000 and awarded at ₹5,19,72,918 on 06.09.2023. The original scope included landscaping, road construction, mezzanine flooring on all three floors, guest bedrooms, and a gym. However, landscaping was excluded, and additional works were incorporated, such as:

- Partial renovation of the second floor.
- Relocation of the electrical room due to walkway expansion.
- Construction of a new electrical panel room with UPS.
- Comprehensive electrical, plumbing, and interior works.
- Development of ICCC and DC/DR rooms on the ground floor.
- Construction of a semi-open cafeteria, corridors, and mezzanine flooring on the third floor.

To further enhance office facilities, a decision was made to upgrade electrical and plumbing systems, firefighting, HVAC, and interior works across all floors. The estimated cost was ₹6,04,78,922, and the contract was awarded for ₹5,37,67,404 on 18.06.2024.

During Phase 2 execution, additional works were identified, primarily focusing on:

- Electrical Low Voltage (ELV) systems and audio-visual installations.

Land Compensation	3453-00-106-04-00-78A	50,00,000.00
Machinery and Equipment	5453-00-106-04-00-52A	10,00,000.00
Infrastructural Assets	5435-00-106-04-00-73A	25,00,000.00
Building and structure (Capital)	5453-00-106-04-00-72A	300,00,00,000.00
Other Civil Works		10,00,00,000.00
Capital Expenditure - Sub Total		310,85,00,000.00
Grand Total		346,88,75,000.00

After due deliberations, the committee has approved declaration of the next year budget for the FY 2025-26.

2.12 Approval for maintenance charges for the upkeep of common areas on an actual basis:

MEPZ SEZ Authority had awarded the work of collecting Garbage waste in MEPZ SEZ to a Vendor who is collecting garbage waste from the zone regularly. The scope of work is to collect the office waste, food waste, garden waste of common areas. Further, the cost per load is at ₹6600/-. The MSEZA Authority has incurred the expenditure of ₹11,35,200/- per quarter towards removal of garbage from MEPZ SEZ Zone, but MSEZA is raising the quarterly garbage demand which is ₹5.89 lakh only. The demand raised by MEPZ Authority were substantially lower, when compared to the actual payment incurred by MSEZA. To compensate for the loss, MEPZ Authority proposed to raise demand on actual basis to collect the Garbage Charges.

The Units and factories has to pay Garbage charges based on the quantity of waste they generate and the cost of upkeeping of common areas in MEPZ SEZ is 17,99,677 per month (Approximately) this will be collected based on the rate of SQM basis.

MSEZA Authority has set forth a comprehensive waste management plan with the objective of achieving zero waste to establish recycling and reuse initiatives.

This proposal aims to streamline the financial processes while maintaining necessary security services. Upon approval, this resolution shall take immediate effect.

S.No	Duration	Amount
1	1 st Half yearly	₹ 1.91 crore
2	2 nd Half yearly	₹ 1.98 crore

After due deliberations, the committee has approved to proceed further on the same.

2.15 Proposal for setting up of R&D, Skill, and Training Centre in Manufacturing and IT Sector at MEPZ SEZ

To enhance industrial competitiveness and workforce capabilities, it is proposed to establish a state-of-the-art Research & Development (R&D), Skill, and Training Centre at MEPZ SEZ. This facility will cater to the Manufacturing and IT sectors, fostering innovation, skill development, and technology advancement.

Objectives

- Promote R&D activities to drive industrial innovation.
- Provide advanced skill training to enhance employability.
- Support IT and manufacturing sectors with cutting-edge infrastructure.
- Foster collaboration between industry, academia, and government bodies.

Key Features

- R&D Laboratories for technology innovation.
- Skill Development Hubs with hands-on training modules.
- Incubation Centres for startups and new technologies.

- Customized furniture with built-in power and data connections.
- Exterior renovations and complete exterior painting for longevity.
- Renovation of common restrooms to accommodate increased occupancy.
- Installation of window roller blinds for privacy and sunlight control.
- Provision of separate underground sumps for the new and old blocks, along with an overhead tank for fire safety.

Initially, a single underground sump was planned for both the new and old administrative blocks. However, after consultations with MEP experts, separate tanks are now required for each block. Additionally, an overhead tank has been included to ensure adequate water supply for fire safety. These modifications, along with several minor repair works previously excluded from the original estimate, have been incorporated into the revised estimate.

The estimated cost for the outer painting, common toilet renovation, and functional improvements of the Old Administration Office is ₹5.73 crore.

After due deliberations, the committee has approved to proceed further on the same.

2.14 Approval of Security Charges for the FY 2025-26

The current security charges paid by MEPZA are significantly lower than the monthly costs incurred for services provided by M/s Texco Ltd., Chennai. Despite this, the office has consistently made higher payments to M/s Texco Ltd., Chennai for security services. The existing security charge structure does not accurately reflect the actual expenditure.

Therefore, to align security charges with actual costs, it is resolved that the charges will be revised accordingly. This revision ensures financial commitments are properly managed.

Further, it is resolved that security charges will be revised to an actual cost basis, effective from [FY 2025-2026], replacing the existing percentage-on-rent principle



Work Orders have been awarded and construction work is in progress. Keeping in mind all these developments it is important to strengthen the office of the Development Commissioner MEPZ with high quality resources for monitoring of works executed.

Further, in the continuous pursuit of excellence, it is recognized that there is a need to engage a highly qualified One Junior Consultants/Executive for Marketing and to support various critical initiatives on contractual basis.

In line with guidelines issued by Department of Commerce (DoC) dated 16.02.2022 to engage Independent Consultants, it is proposed to recruit two resources for Projects viz., one as Project Engineer (O&M) and one as Project Engineer (Civil), two junior consultants for various strategic projects viz., one Junior Consultant (Marketing), one Junior Consultant (DEBI) and one Purchase and Stores Executive.

The above proposed consultants may be engaged for an initial period of 2 years and may be extended for further period of one year up to 3 years based on the performance of the consultants. It is proposed to pay remuneration as detailed below.

S.N.	Independent Consultant	No of post	Gross Remuneration per month
1.	Project Engineer (O&M)	1	₹50,000/-
2.	Project Engineer (Civil)	1	₹50,000/-
3.	Junior Consultant (Marketing)	1	₹50,000/-
4.	Junior Consultant (HR & Business)	1	₹50,000/-

- Collaboration Spaces for knowledge sharing.
- Digital Infrastructure for IT sector advancements.

Benefits to MEPZ SEZ

- Strengthens SEZ's ecosystem by providing skilled workforce.
- Attracts investment in high-tech sectors.
- Enhances global competitiveness of industries within MEPZ.
- Encourages sustainable and innovation-driven growth.

Implementation Plan

- Phase 1: Feasibility study and stakeholder consultation.
- Phase 2: Infrastructure development and facility setup.
- Phase 3: Operationalization and training program launch.

The committee also decided to take back the land allotted to Central ware housing for the construction of Skill and R&D Block

After due deliberations, the committee has approved to proceed further on the same.

2.16 Post facto Approval for Engaging of Project Engineers, And approval for engaging of Junior Consultant (Marketing), Junior Consultant (HR & Business) and Purchase & Stores Executive in the budget of MEPZ Authority.

O/o The Zonal Development Commissioner, aimed at strengthening and advancing the strategic capabilities of the MEPZ. Currently, various development projects have been implemented inside MEPZ campus viz.

- a. Construction of Trade Facilitation Centre
- b. Freedom Plaza
- c. New Administrative Building and
- d. Renovation of existing Admin building

Despite the migration, ICEGATE has not yet achieved the success rate as previously attained by NSDL. Several unresolved issues persist, including transactions related to Warehousing, Trading, Subcontracting, Zone-to-Zone transfers, Temporary Removal, and DTA Procurement with Benefits. Additionally, even for successfully migrated modules such as Import, Export, and DTA, many Units continue to transact via NSDL, awaiting the final deadline for transition.

Considering the ongoing challenges and the upcoming second phase of ICEGATE implementation covering IT/ITES SEZs, continuous support from a technical expert is essential for at least six months. During the initial phase, NACIN provided the services of Shri Govindan, a subject matter expert, for training, knowledge dissemination, and issue resolution. His secondment arrangement with MEPZ concluded on 15.11.2024. NACIN has indicated its inability to extend his services beyond this date and has suggested exploring alternative mechanisms, such as outsourcing.

In order to successful implementation of ICEGATE among the Units inside the MEPZ, it is proposed to engage Shri Govindan as a Consultant for ICEGATE-related work with retrospective effect from 15.11.2024 for a minimum period of Nine months. The estimated consultancy fee is ₹1,00,000 per month, amounting to a total of ₹9,00,000 for Nine months. In line with the GFR 2017, Rule 194: 'Single Source Selection/Consultancy by nomination: (iv) Under some special circumstances, it may become necessary to select a particular consultant where adequate justification is available for such single-source selection in the context of the overall interest of the Ministry or Department. Full justification for single source selection should be recorded in the file and



5.	Purchase and Stores Executive	1	₹50,000/-
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Therefore, the financial implication for engaging the above proposed five resources per annum would be ₹ 30,00,000/- and recruitment cost for releasing advertisement would be ₹3,00,000/-. Hence, total financial implication of ₹33,00,000/-. As these resources are recruited for the development of MEPZ the proposed five (5) resources may be hired from the budget of MEPZ Authority.

In view of the aforementioned, the proposal for hiring of five (5) resources with a total financial implication of ₹33,00,000/- from the budget of MEPZ Authority may be considered for approval.

After due deliberations, the committee has accorded post facto approval for the same."

2.17 Post facto approval for Engaging of Consultant for implementation of ICEGATE for the Units of the MEPZ SEZ in the budget of MEPZ Authority.

The customs documentation mechanism got migrated from SEZ Online to ICEGATE with effect from 1.7.2024 and 1st phase of migration among the Units inside the MEPZ is being implemented, there are 115 Units functioning inside the MEPZ out of which 107 Units are manufacturing for whom the ICEGATE migration has be completed. The implementation of ICEGATE has faced multiple challenges since the UAT stage, necessitating the services of an expert resource person. Such a specialist is required to address technical issues, provide solutions to stakeholders, and act as a liaison between MEPZ and DG Systems to escalate unresolved concerns.

S.No	Building Name	As per FILED ₹	As per Filed Half yearly Tax ₹	No of half years ₹	Total Demand ₹
1	Super Auto Forge	18,246	3,26,056	5	16,30,280
2	APA Engineering	13,752	2,45,748	3	7,37,245
3	Suntara /Sequel	1,15,546	20,64,807	5	1,03,24,035
4	AV Tech	33,270	5,94,535	1	5,94,535
5	Austrial 3D	8,083	1,44,443	7	10,11,102
6	Kalavai Digital	34,285	6,12,673	5	30,63,365
	Total	2,23,182	39,88,262		1,73,60,562

S.No	Building Name	As per FILED ₹	As per Filed Half yearly Tax ₹	No of half years ₹	Total Demand ₹
1	SDF I	4,43,460	78,24,630.2	2	1,58,49,260
2	SDF II	1,70,120	30,40,044.4	2	60,80,089
3	SDF III	3,75,444	67,09,184.28	2	1,34,18,369
4	SDF IV	3,02,269	54,01,547	2	1,08,03,094
5	SDF V	24,030	4,29,416.1	2	8,58,832
	Total	13,15,323	2,35,04,821.98		4,70,09,644
	OVERALL TOTAL				6,43,70,206



approval of the competent authority obtained before resorting to such single-source selection’.

According to the above rule provision it was found that Shri Govindan is the only resource available for providing ICEGATE related services for MEPZ and liaison with DG System. Hence it is proposed that Shri Govindan may be engaged as consultant for providing ICEGATE related services for the MEPZ and its Units for Nine Months w.e.f. 15.11.2024.

After due deliberations, the committee has accorded post facto approval for the same."

2.18 Recovery of Property Tax paid for the Units of MEPZ SEZ Buildings.

As per Tamil Nadu Urban Local Bodies Act, 1998, amended in 2023(sec 83), property tax is applicable to buildings within municipal limits, including those in Special Economic Zones (SEZs). In compliance with the revised regulations, this proposal outlines the process for the assessment and payment of property tax for building within MEPZ SEZ.

Accordingly, the property Tax was paid by the MEPZ SEZ to all buildings owned by MEPZ SEZ, including Standard Design Factory (SDF) Building and other operational and commercial Structures within the SEZ for the year 2022-2023, 2023-2024, 2024-2025. The amount paid by MEPZ SEZ will be recovered from the respective Units within the SEZ on a **proportionate basis**, meaning each Unit will be billed according to the share of the total area occupied. For 2025-2026 onwards the demand for property tax will be raised for the Units in the MEPZ buildings at the rate of ₹.17.88 per sq. ft on a half yearly basis for the upcoming financial years. Find below the details of property tax building/plot-wise:



		New Survey No.12 2928 sq.m.	New Survey Nos.85&98 21,533 sq.m.
7	Rate of Rental Levied	₹1460/- per sq. per annum	₹1460/- per sq. per annum

The operating portion of the above order is reproduced as below:

“Accordingly, the notices which are impugned in these writ petitions are set aside and the matters are remanded back to the respondents for fresh consideration. The respondents are directed to put the petitioners on notice as to how clause 42 of the lease deed is breached by reason of any change in shareholding pattern or in the change of the management or the ownership of the petitioner Company. If any such notice is issued, the petitioners shall submit the reply and thereafter, the respondents shall give due opportunity of hearing to the petitioners and pass appropriate orders on merits as expeditiously as possible”.

Quote Class “42” The petitioners vide letter dated 16.01.2025 has forwarded the representation providing detailed justification about their position against the demand for enhancement of rental revision i.e. Re-fixation of lease rent.

Considering the relevant clauses of the lease deed, the decision of the 19th Minutes of MEPZA dated 21.08.2018 and the detailed justification of the company, it has been decided to levy the lease rent at the existing rate i.e. ₹.176/- per sq.m. per annum.

After due deliberations, the committee has approved to proceed further on the same.



After due deliberations, the committee has approved to proceed further on the same.

2.19 Levy of Lease Rental Charges for Units of the MEPZ SEZ

The Hon'ble High Court of Judicature at Madras, Principal Bench vide its common order in W.P.Nos.18108 of 2021 & 18115 of 2021 dated 24.10.2024 had set aside the impugned demand notices dated 22.07.2021 for levy of enhancement of lease rent and remanded back to the respondents viz. MEPZ for fresh consideration.

The brief history of the same is as follows:

Sl.No.	Particulars	W.P.No.18108 of 2021	W.P.No. 18115 of 2021
1	Name of Entity	Efficient Light Source Technologies, Chennai	Venture Lighting India Ltd, Chennai
2	Demand No.	F.No.2/01/2009/ MSEZA/2668 dated 22.07.2021	F.No.2/01/2009/ MSEZA/2663 dated 22.07.2021
3	Amount	Rs.56,12,387/-	Rs.4,84,39,787/-
4	Period	31.03.2021	31.03.2021
5	Lease Period	01.04.2017 to 31.03.2022	01.04.2017 to 31.03.2022
6	Plot & Extent	D6/V, Phase-II, Old Survey No.164/1	A30, D5 Phase-II Old Survey Nos.84&96

1. Prime Location: Easy access to major transportation networks, minimizing transit time and costs.
2. Advanced Infrastructure: High ceilings, wide column spacing, and durable flooring to support heavy equipment and optimize storage.
3. Modern Amenities: Temperature-controlled zones, energy-efficient lighting, and advanced security systems ensure safety and compliance with global standards.
4. Sustainability: Incorporates green practices such as rainwater harvesting, solar energy, and efficient waste management.
5. Technology Integration: Automated systems for inventory management, tracking, and workflow optimization to enhance productivity.

This initiative aligns with MEPZ SEZ's mission to foster economic growth, attract investments, and provide superior facilities to businesses. The warehouse will address the growing demand for high-quality storage and logistics solutions, reinforcing MEPZ SEZ's status as a premier industrial and trade hub.

After due deliberations, the committee has accorded post facto approval for the same."

2.22 Proposal for setting up of a Centralised Kitchen in MEPZ SEZ.

To enhance the operational efficiency and welfare of employees working in MEPZ SEZ, it is proposed to establish a centralised kitchen within MEPZ SEZ. The facility will cater to the food requirements of units operating in MEPZ and outside SEZs & Export Oriented Units (EOUs) at a subsidised rate, ensuring access to hygienic and affordable meals.

2.20 Allocation of land/space for M/s.Syrma SGS Technology Pvt. Ltd.

M/s Syрма SGS Technology Pvt. Ltd is a SEZ Unit at MEPZ SEZ located at Plot No. B27, Phase II, Zone B, MEPZ-SEZ, was allocated land for an area of 32,848 sqm and LOA was issued on 15.03.2006.

The unit has submitted an application proposed to operate the new Unit viz., Syрма SGS Technology and Engineering Services Limited from B-15 Phase I, MEPZ SEZ, in the building allotted to its 100% owned parent company Syрма Technology Pvt. Ltd. It is proposed that the design service activities, under SETS, in the above premises.

And informed by the Unit that there is no change in ownership, no change in shareholding pattern, no business transfer agreement, etc.

Hence, the necessary area/space may be allocated to the said new Unit at revised rental charges as decided by the Authority.

After due deliberations, the committee has approved to proceed further on the same.

2.21 Post facto approval for setting up of Grade A warehouse at MEPZ SEZ

A Grade A warehouse in MEPZ SEZ will be a state-of-the-art facility designed to meet the highest industry standards for storage, logistics, and operational efficiency. Strategically located near the highway, port, and airport, MEPZ SEZ offers unparalleled convenience for logistics operations.

Key features of the proposed warehouse include:



- Reduction in dependency on external food vendors, ensuring reliability.
- Employment opportunities in food preparation and distribution.

After due deliberations, the committee has approved to proceed further on the same.

2.23 Post Facto Approval Delegation of Powers to Ex-Officio Member (JDC) as per SEZ Authority Rules

In accordance with the SEZ Authority Rules and to ensure efficient administration and smooth functioning of MEPZ SEZ, it is proposed to delegate certain powers to the Ex-Officio Member (Joint Development Commissioner - JDC). This delegation will enable timely decision-making and effective governance in line with the objectives of the SEZ.

The SEZ Authority is responsible for the management, development, and operation of the SEZ. Given the increasing scope of activities and the need for swift decision-making, empowering the Ex-Officio Member (JDC) with delegated powers will enhance operational efficiency. The delegation will ensure:

- Expedited approvals and administrative decisions.
- Streamlined execution of infrastructure and policy matters.
- Reduced dependency on higher-level approvals for routine matters.

The following powers are proposed to be delegated to the Ex-Officio Member (JDC):



Objective

- To provide cost-effective and hygienic food options to employees working in SEZs and EOUs.
- To improve workplace productivity by ensuring timely and nutritious meals.
- To create a self-sustaining model that benefits both employees and unit operators.
- To support small-scale food service providers through structured engagement.

Key Features of the Centralised Kitchen

- State-of-the-art infrastructure to ensure food hygiene and safety standards.
- Capacity to prepare and distribute meals for a large workforce.
- Mechanised cooking facilities to maintain efficiency and quality.
- Waste management and sustainability measures, including organic waste disposal and energy-efficient cooking.
- Tie-ups with local vendors for fresh and quality ingredients.

Expected Benefits

- Cost-effective meal options for employees, reducing individual expenditure.
- Enhanced employee satisfaction and retention.
- Standardised food quality and hygiene across SEZ and EOU units.



2.24 Post Facto Approval MEPZ Day Celebration as on 01st May

MEPZ is primarily a manufacturing Special Economic Zone(SEZ) that caters to blue-collar workers, with approximately 36,000 workers currently employed around 25,000 of whom are in manufacturing units.

MEPZ Day has been traditionally celebrated on January 1st for many years. The foundation layered on MEPZ SEZ (Special Economic Zone) was established in the month of April, making it more relevant to celebrate MEPZ Day on 01st of May. In the 30th Authority meeting, the decision was made as MEPZ day celebration shall be organised on the month of 1st May 2025.

MEPZ Day celebrations will be expanded to include MEPZ units and their employees. This initiative, aims to encourage stronger connections between MEPZ Management and the employees of the zone.

After due deliberations, the committee has accorded post facto approval for the same."

2.25 Post Facto Agenda for Removal of Debris/Garbage/Vegetation Waste from MEPZ-SEZ

It appears that the competent authority initially approved the recovery of costs for debris, garbage, and vegetation waste removal from the units in MEPZ SEZ, based on the work order issued to M/s. K. Krishnamoorthy, the L1 bidder.

The total work order value was 14,86,339/-, and the debris removal work was completed as per the tendered quantity. However, after the 30th



- Approval of routine administrative and financial matters up to 50Lakhs.
- Authorization of contracts and agreements for infrastructure maintenance and development up to 50Lakhs.
- Sanctioning of expenditures related to day-to-day operations and facility management.
- Approval of minor policy implementations concerning SEZ operations, subject to ratification by the Authority.
- Oversight and coordination of compliance with SEZ regulations and stakeholder engagement.

The proposed delegation aligns with the SEZ Authority Rules, ensuring that all decisions taken by the JDC adhere to regulatory requirements and the overall framework established for SEZ governance. The delegation shall be subject to periodic review and ratification by the SEZ Authority to maintain transparency and accountability.

Delegating certain powers to the Ex-Officio Member (JDC) will facilitate faster decision-making and enhance administrative efficiency within MEPZ SEZ. It is recommended that the SEZ Authority approve this delegation to support the seamless functioning of the SEZ and further its development objectives.

After due deliberations, the committee has accorded post facto approval for the same."



Lease rent per month per sq. m	28.41
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Considering the current plot rent in MEPZ is INR 209 / sq.m / annum, this comes to only around 17.4 INR per month per sq.m.

Thus, there is a need to revise and refix the plot rents in MEPZ to align with the prevalent market rates of the nearby SEZs. For this purpose, a plot rental rate of INR 320 / sq.m / annum is proposed (which is still less than the nearby market rate of INR 341 / sq.m / annum). This increase is applicable to only new units. Plot rent is calculated based on the method followed by JNPT Authority.

Please see the table below:

Particulars	Amount	Unit
Total Acquisition Cost (SEZ Area)	0.24	INR Crore
Area	90	acres
Total Acquisition Cost (SEZ Area) - for 262 acres	0.70	INR Crore
Loss of Interest	9%	
Number of years for Loss of Interest	40	
NPV of Acquisition Cost	22	INR Crore
Minimum Market Value of Land (Taking 7.28% Inflation)	364.82	INR Crore

Authority meeting, the decision was made to recover the incurred costs from the units on an actual basis.

Now, it seems that the competent authority has reversed the previous decision, and the proposal to recover the costs from the units for debris waste removal has been cancelled.

After due deliberations, the committee has accorded post facto approval for the same."

2.27 Revision of Rent for MEPZ SEZ

During the 30th Authority meeting, a resolution was passed to implement a yearly rent increase of 10% which was in accordance with the regular practice but had been suspended during COVID. This decision was influenced by the observation that the current rates were substantially lower when compared to both the prevailing market rate and the rental rates in other Special Economic Zones (SEZs). The intent behind this decision was to align the rental charges more closely with industry standards and ensure fair compensation for the use of the properties or spaces under consideration.

However, even after this increase, this still places MEPZ SEZ at rental rates far below those of nearby SEZs and industrial parks. For example, the industrial plot rate per acre for SIPCOT SEZs nearby is as below:

SEZ Name	Multi Sector SEZ Sriperumbudur
Available Land for Allotment	115.13 acres
Industrial Plot - Rate Per Acre	230 Lakhs
Rate per sq.m	5683.5
Assume Lease rent @ 6% per annum	341

₹ 209/- per Sq.m / annum	<u>For SDF Modules (all Units):</u> Area Up to 500 SQM - ₹ 3608/- per Sq.m / annum Area Above 500 Sqm - ₹ 2800/- per Sq.m / annum	53.1% increase for plots
<u>For SDF Modules (all Units):</u> ₹ 2355/- per Sq.m / annum		

*Excluding tax, duties, levies and other charges like maintenance etc.

The rent for the public utility services such as Indian Bank, Amelio, BSNL telephone exchange and MEPZ MA also revised to 10% increase from the lease rent with effect from 01.04.2025

After due deliberations, the committee has approved to proceed further on the same.

2.28 Approval for Laying of New Bituminous Road & Rainwater Management Works at SDF-2 Building, MEPZ-SEZ in Participatory Infrastructure Development Program (PIDP) SCHEME

The bituminous road at the SDF-2 building has significantly deteriorated over a period of time, resulting in numerous potholes that caused water stagnation and led to hazardous conditions for vehicle movement, particularly during the monsoon season. To address these issues and enhance both safety and smooth vehicle movement, it is proposed to include laying a new bituminous road within the SDF-2 building and its entrance area and also de-silting rainwater ducts to improve drainage efficiency by installing new recharge pits for rainwater

In line
with
the

Adjustment factor (premium) considered on Price per Unit of Land due to location, logistics etc	40%	
Adjusted Value of Land	510.75	INR Crore
Lease Period	5	years
Lease Rental Value@6% of Market Value	30.65	
Lease Rental Escalation	10%	annual
Nominal return expectation @ 10%	3.06	
Total Minimum Reserve Price	33.7	INR crore
Minimum Plot Lease Rental Rate	318	INR / sq .m
Final Plot Lease Rental Rate	320	INR / sq.m

above the following points are proposed:

*Rent date prevails with effect from 01.04.2024 onwards	*Rent proposed to be charged with effect from 01.04.2025 onwards.	Comments
<u>For Plots (all Units):</u>	<u>For Plots (all Units):</u> ₹ 320/- per Sq.m / annum	

After due deliberations, the committee has approved to proceed further on the same.

2.29 Implementation of Waste Disposal & Exit Approval Regulations

1. Waste Disposal Regulation for Units in MEPZ

Proposal to mandate that all units within MEPZ shall dispose of their duty-payable and non-duty-payable waste exclusively through the MEPZ-authorized waste management vendor who selected through tender.

The vendor has been contracted by MSEZA to ensure proper waste segregation, recycling, and sustainable disposal methods.

The rates for waste disposal will be finalized based on the tender process and committee decision.

Charges for common area waste disposal will be levied on an actual basis as per unit-specific waste generation. The details will be calculated based on the categories below:

- Common Area
- Plots
- SDF Buildings
- Built-up spaces

Calculation for the above will be shared soon.

2. Exit Approval Process & Six-Month Rental Hold for Property Tax

Proposal to mandate that units seeking exit approval from MEPZ must first obtain a No Objection Certificate (NOC) from relevant local bodies, including:

Corporation (for property tax clearance)

Tamil Nadu Electricity Board (TNEB)

Tamil Nadu Pollution Control Board (TNPCB)



harvesting within the building premises. The scope of work encompasses the removal/milling of the damaged road surface, preparation for new bitumen laying, construction of a new bituminous road to ensure smooth and safe movement of vehicles, de-silting of existing rainwater ducts to prevent waterlogging, and the installation of recharge pits to enhance rainwater percolation and sustainability. The estimated cost for this project comes to ₹ 64.29 Lakh.

To finance this, we can explore the potential for participatory investment. There is precedence observed for this from other industrial bodies like SIPCOT in TN. As per clause (a) of O.O. No. 26/2021 dt. 19.03.2021, "Expenses on maintenance works taken up under Participatory Infrastructure Development Program (PIDP) since SIPCOT is bearing 50% of the project cost out of its fund, the recovery of balance 50% of the project cost from the allottees as per the agreed terms". The principle used by SIPCOT is to recover 50% of the cost in 12 or 16 half-yearly installments. Hence it is proposed to recover the cost through participatory investment from the concerned Units

For the above project cost comes to:

SEZ	Amount to be recovered (in lacs)	Area (acres)	Cost / acre (lakhs)	No. of half yearly instalments	Instalment Value / Acre (lakhs)
MEPZ	32.15	4	8.03	12	0.67

Any other statutory authorities as applicable

In addition to the above, MEPZ shall hold an amount equivalent to six months' rent/tax until the next unit takes possession of the vacated plot/building through auction.

This measure is to ensure that all pending property tax dues are cleared before exit and to avoid any financial liabilities for MEPZ.

The committee is requested to review and approve the proposed regulations for waste disposal and exit approval.

After due deliberations, the committee has approved to proceed further on the above 2 proposals.

2.30 Revision of Development Charges for MEPZ SEZ

Previously, development charges were calculated based on the unrelated formulas like 18 months of built-up rent or 36 months of plot rent. It was unscientific and not rationalized to the actual development charges.

Thus, after considering the multiple rounds of development done over 20 years, the principle below has been used to revise the development fees:

Year	Cost (in Lakhs)	WDV 9.5% & Inflation adjusted
2002-03	1546	695.9
2003-04	202	94.3
2004-05	201.7	97.6
2005-06	1360.5	682.8
2006-07	1016	528.8
2008-09	375	209.8

2009-10	1035.7	601
2010-11	1277	768.4
2015-16	375.6	270.9
2016-17	403	301.5
2017-18	281.2	218.1
2019-20	179.2	149.5
2020-21	19.9	17.2

For the above, the inflation was taken 7.28%, depreciation was taken at 9.5% by using the Written Down Value method, and Loss of Interest was taken as 6.37% on an average from 2002 – 2022.

As a result, the development charge per square amounts to **INR 1700 / sq.m.**

Although this will result in an increase for plot units, this one-time fee significantly reduces the burden for built-up units who would usually have to pay a development fee of 1.5*rent, which is more than INR 3800 / sq.m.

After due deliberations, the committee has approved to proceed further on the same.

