

SUBJECT NO : 120

Sub : VUDA - Visakhapatnam - Allotment of vacant site in RS.No.3 of Chinawaltair (V), abutting to Beach road opposite to Appughar in Sector -9 of MVP layout for installation of petrol bunk - Finalization of allotment to BPCL or IOCL - Submission before the Hon'ble VUDA Board - For taking decision - Reg.

AGENDA NOTE :-

The Territory Manager (Retail) Visakha Territory, Bharat Petroleum Corporation Ltd, Visakhapatnam has stated that their Petroleum Corporation has issued a letter of intent to one M/s Maddi Padmavathi, a widow for setting up a petroleum Retail Outlet that as per the directions of Ministry of Petroleum & Natural Gas, Oil Companies will extend financial assistance to widows with an intention to up bring them economically and in that direction, BPCL will take a suitable site on long lease in the vicinity of Visakhapatnam for the above purpose; that the dealer select M/s Maddi Padmavathi has made sincere efforts for identifying a suitable site at Vepagunta area but her efforts proved futile; that the dealer select has also made a representation to VUDA with a copy to BPCL for allotment of suitable site size 1500 Sq.Yards in the vicinity of Visakhapatnam; and finally requested VUDA to kindly arrange to allot 1500 Sq.Yards of site in Visakhapatnam City on long lease to BPCL.

The Indian oil corporation Ltd., also proposed for establishing a petrol bunk through one Sri. K.Ashok Kumar.

In this regard, VUDA offered a site situated in S.No.3/2 of Chinawaltair (V) with an extent of 1009.80 Sq.Yards after excluding road widening area of 534.47 Sq.Yards opposite to Appughar in Sector -9 MVP Layout to the said two companies. The said two companies have given their consent to take the site and requesting for allotment. In this regard, this file was referred to planning wing for remarks and they have given their remarks as follows:

"As per recent CRZ notification dt.06.01.2011, facilities for receipt and storage of petroleum products and liquefied natural gas are permitted in CRZ-II category.

As per zoning regulations issued in GO.MS.No.345 MA dated.30.06.2006, petrol filling stations and services stations with installation not exceeding 5 HP are permitted in the residential use zone with the special sanction of VUDA authority".

The basic value for the above site was ascertained from the Registrar Office vide their Market Value Certificate dt. 23.12.2011 is Rs.12000/- per Sq.Yard. Further, the Special Deputy Tahsildar (L.A), VUDA vide her letter dt.09.02.2012 informed that the local market value for the above site is ranging from Rs.35,000/- to Rs.40,000/- per Sq.Yard.

Further, it was requested the said two companies to give their consent for the payment of maximum rent to VUDA on lease basis for the said site vide this office letter dt.16.04.2012.

In response to our letter dt.16.04.2012 the Indian Oil Corporation Ltd., has requested the VUDA to let them know the terms of offer per Square feet of land which is to be offered by VUDA on lease to I.O.C.L vide their letter dt.08.05.2012. They have not offered any lease amount to VUDA for the above said site.

In response to the above, the Bharat Petroleum Corporation Ltd., has offered an amount of rent Rs.49,700/- per month for a period of 16 years and requested to convey them the rental demand for the site offered by VUDA vide their letter dt.12.05.2012.

Further, the Bharat Petroleum Corporation Ltd has informed in their letter dt.16.08.2012 as follows:

1. "LOI was issued to one Mrs. Maddi Padmavathi on 28.06.2010 for awarding Retail Outlet Dealership. The LOI holder is war widow. She has sought the help of the Corporation in establishing the RO under Corpus Fund Scheme, wherein BPCL will have to put up the required facilities to operate the Retail Outlet on the land taken for a long lease (not less than 30 years)
2. They requested to indicate the monthly rentals for the property offered to them in S.No.3/2 of China Waltair (V), Opposite Appughar in Beach Road, so as to facilitate them for taking necessary action at their end.
3. The land taken on lease is purely for establishing Retail Outlet and its allied business".

The Government has given guide lines in GO.Ms. No 227 MA & UD (H2) Department dt. 22.05.2002 in case of Kartheekavanam entrustment for development and running resort by the VUDA for 33 years with a lease rent equal to 5% of Market value with an annual escalation in rental value of 5% each year. The proposed lease rent tentatively is worked out for proposed site as per prevailing open Market value and total cost comes to Rs.4,03,92,000/- for an extent of 1009.80 Sq.Yards @ Rs.40,000/- per Sq.Yard and if 5% of the total land cost considered for fixation of rent for one year, it comes to Rs.20,19,600/- per annum and Rs.1,68,300/- per month as per above G.O. If basic value as per Sub- Registrar is taken into consideration then @ Rs. 50450 per month.

But in this connection it is submitted that the proposed site falls under CRZ-II category and can be utilized for restricted purposes only. It is also not very much suitable for Residential purpose because of the S.T.P Opp. to the site.

In view of the above, the mater is placed before VUDA Board for taking decision on the following.

- A) Whether to allot the said site by conducting bidding between both the companies i.e., BPCL & IOCL by fixing upset price, subject to enhancement of 5% lease rent every year on the existing rent.
- B) Whether the request of BPCL is to be considered as the retail outlet dealer (a war widow) is already selected duly allotting the said site by offering monthly lease rent of Rs.1,68,300/- per Month @ 5% on local market value of Rs.40,000/- per Sq.Yard with an escalation in rental value of 5% each year on the existing rent, duly enquiring their readiness and willingness to operate the retail outlet or at such a % as fixed by Board in view of the location of the site .

 14/12/12

VICE CHAIRMAN


CHAIRMAN

VUDA RESOLUTION NO. 120, DT. 15-12-2012

The Board deferred the subject.


CHAIRMAN