

DRAFT SUBJECT TO VUDA BOARD 95

Sub: Sale of land at Visakhapatnam belonging to AP Small Scale Industrial Development Corporation Limited – Regarding.

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AGENDA NOTE:

The Principal Secretary to Government, Public Enterprises Department, Government of Andhra Pradesh, Hyderabad in D.O.Letter No.010/IS-APSSIDC / TFA/2003 dated 8.5.2003 has stated that the APSSIDC which is under liquidation has an industrial land at Industrial Development Area "D" Block Chinagantyada village, Gajuwaka Mandal, Visakhapatnam District admeasuring 59624 sq.mts (14.74 Acs.). APSSIDC attempted to dispose the land through open tender cum auction basis and they could not get good response to the expected price level. The liquidator APSSIDC again invited tenders during January, 2003 and conducted tender-cum-auction on 9.1.2003 and 2 tenders have been received. Rate in open auction was Rs.1,28,01,000/- by the highest tenderer. The upset price fixed by APIIC on 2.12.1999 was Rs.1,19,25,000/-.

The Cabinet Sub Committee in its meeting held on 1.5.2003 has rejected the proposal since the highest bid was not up to the expected level. The Cabinet Sub Committee has further decided that the above land may be sold through VUDA. Accordingly the Principal Secretary requested VUDA to arrange the sale of the said land.

The Vice Chairman has inspected the land in question on 13.5.2003 along with VUDA and APIIC officials. The site is bounded by 3 roads of 80', 60', 60' roads laid out by APIIC long back. The site is in the midst of "D"Block industrial estate of the APIIC. It is observed that the plots with extents of land 1000, 2000 sq.mts have good demand in the industrial area for small scale industries. The APIIC has also promoted 2 housing colonies for industrial workers, entrepreneurs in Chinagantyada, Vadlapudi areas. Similarly we may also propose industrial housing colony area in an extent of 3.5Acs.ie., about 25% of the total area.

VUDA Resolution No.95 dated 14.5.2003

Resolved to approve the proposals for taking up the project of selling of sites through VUDA for Industrial plots / Industrial housing of the land belonging to APSSIDC⁰⁶ as proposed and authorized the Vice Chairman to take further necessary developmental works to make it as a commercial venture.



CHAIRMAN

The tentative layout plan has been prepared with the following land use analysis.

Total extent	:	Acs.14.74 cts
Industrial plots area	:	Acs. 9.28 (44915 sq.yards)
Roads area	:	Acs. 1.96
Industrial residential colony:		Acs. 3.50 cts

		Acs,14.74 cts

Plot size 90' x 120' – 1200 sq.mts

No.of plots : 34

As observed from the APIC allotments, the price is around Rs.500/- per sq.yard in this area. The cost of development of new roads would be around Rs.20.00 lakhs.

Project Economics :

(A)	By sale of industrial plots Acs.9.28(44915 sq.yards) x 450/- per sq.yard ie.,	=Rs.202.12 lakhs
(B)	By sale of industrial housing plots Acs.3.50 (16940 sq.yds.) x 500/- per sq.yard ie.,	=Rs. 84.70 lakhs

		=Rs.286.82 lakhs
(C)	Deduct expenditure for roads Rs.20.00 lakhs	} Rs. 50.82 lakhs
	Deduct VUDA service charges Rs.29.00 lakhs	
	And Advertisement charges Rs. 1.82 lakhs	

I. Probable receipts	Rs. 236.00 lakhs
II. Auction bid received by APSSIDC during 1/2003	Rs. 128.00 lakhs

Difference	Rs.108.00 lakhs

The total value of project is around Rs.287 lakhs out of which the VUDA can accrue a benefit of 10% ie., 28 lakhs on the total project value for conducting the auctions and laying internal roads. The APSSIDC would get an amount of Rs.236.00 lakhs approximately by auctioning of plots.

The matter is placed before the VUDA Board to approve the proposal for taking up of the project of selling sites for industrial purpose including industrial housing of the land belonging to AP Small Scale Industrial Development Corporation Limited.