

**ELECTRONICS CORPORATION OF TAMIL NADU LIMITED,
CHENNAI- 600035.**

O.O.No.01/2025

07.02.2025

**Standard Operating Procedure (SOP) for Development and
Maintenance charges recovery from Land Allottees in ELCOSEZs**

The Development, Operations and Maintenance of the Land and the IT buildings is being managed by ELCOT. The incurred expenditure has been collected from the Land and Space allottees in the form of Development and Maintenance (DCB) charges from Land allottees on pro-rata basis and as Operations & Maintenance (O&M) charges from Space allottees on pro-rata basis.

With effect from **01.04.2024**, the following **standard operating guidelines** comes into effect for raising and recovering

- 1) Development and Maintenance (DCB) charges from Land allottees
- 2) Operations & Maintenance (O&M) charges from Space allottees

**1) Development and Maintenance (DCB) charges recovery from
Land allottees**

1.1) Development Charges:

Development charges covers any expenditure from ELCOT on any common infrastructure development works such as laying of Internal Roads, construction of Compound Wall, Storm Water Drainage, Cable Ducts, RCC box Culverts, Rail over bridge, Fencing, Gate, Street Lightings, Construction of Arch, Water supply, establishment of TNEB substation, construction of Admin building for office purposes/usage by MEPZ Authorized officer and Security rooms, OSR and common area greenery and related works, Enhancements of IT Parks related works such as construction of food court, EV charging station, ATM facility, Sports facility, Solar Panels, Consultancy charges, Applicable taxes, Statutory fees any other development charges towards enhancement and promotion

of parks. These Development charges will be recovered from the land allottees on pro-rata basis.

Development charges for any new allottee will be calculated from the inception of ELCOSEZ as these development works are purely for the benefits of ELCOSEZ allottees. Any Development work done for the IT Park will be considered only at an overall Park level and Development charges will be proportionately recovered from all the allottees for the overall development.

Calculation formula

$$\begin{array}{l} \text{Development} \\ \text{Charges} \\ \text{per acre} \end{array} = \frac{\text{Half yearly Development expenditure incurred for} \\ \text{respective IT Park}}{\text{Total Allotable Land Area of respective IT Park}}$$

Definitions

Total area: "Total area" refers to the overall ELCOSEZ area inclusive of both SEZ and NON-SEZ area (in acres)

Common area: "Common area" refers to the OSR, Utilities, Roads, TNEB sub-station and any other common area within ELOSEZ. "Commercial" area (e.g. area meant for Food courts, Green Park, EV charging station etc.) is also considered under Common area and Development charges will not be charged to the finalized service providers who operate the Commercial area.

For example, Plots 2,3,4, total of 48.66 acres in ELCOSEZ, Sholinganallur is considered under "Common" area due to the proposed Green Park development.

Allotable area: "Allotable area" refers to the net area within ELCOSEZ that can be allotted to potential allottees in the form of land lease. Also, wherever IT Building/Tower is present in the ELCOSEZs, the equivalent land in which IT Building/Tower is located is considered under the purview of ELCOT (i.e.) ELCOT is also considered an allottee and the equivalent Development charges will be borne by ELCOT.

Allottable area = "Total area" - "Common area"

Any changes to the "Allottable area" can arise in case of any increase or decrease in the "Common area" (e.g. establishment of new TNEB sub-station or addition of Commercial area development)

Allotted area: "Allotted area" refers to the area within ELCOSEZ that has already been leased out to companies/allottees in the form of Lease deed execution.

Any changes to the "Allotted area" can arise on a daily basis based on entry of new allottees to ELCOSEZ, exit of existing allottees in the form of total Surrenders/partial Surrender or Resumption through TNPPPE act.

Vacant area: "Vacant area" refers to the area within ELCOSEZ that is lying vacant and under the control of ELCOT.

Vacant area = "Allottable area" - "Allotted area"

Guidelines for raising Development charges

1. Demand Notice for the development charges to be raised half-yearly on Pro-rata basis.
2. Development charges should not be raised for TANGEDCO/TANTRANSCO starting from FY 2024-25.
3. Any new land allotted to TANGEDCO for establishment of sub-station at free of cost should be excluded from "Allottable area".
4. The land lease cost equivalent to TANGEDCO substation area (given at free of cost) ought to be recovered from other land allottees of respective SEZ as part of development charges on pro-rata basis.
5. If the allottee fails to pay the Development charges within 30 days from the date of demand, monthly Simple interest (9% per Annum/12 months =0.75% per month) may be charged from the date of Demand for the unpaid portion of the Development charges

1.2) Maintenance Charges:

ELCOT maintains the infrastructure assets such as roads, street lights, drains, etc., in all its IT parks. Expenditure on maintenance of roads of Roads,

Street Lights, Center Median works, Service Ducts, Compound Wall, Water supply, Electricity, Sewerage treatment, Drains, Security Services, Housekeeping and Landscaping manpower, TNEB charges, Repair works, Cleaning of Bushes, MEPZ officials salary, Administrative Officer, Electrical and Civil staff at ELCOSEZ and other manpower, Internet, AMCs (collectively termed "Facilities"), any other facilities insisted by statutory agencies from time to time) and other infrastructure Maintenance incurred during the respective financial year ought to be recovered from the land allottees on pro-rata basis.

Calculation formula

$$\begin{array}{l}
 \text{"IT Park Half yearly Maintenance expenditure for level"} \\
 \text{Maintenance Charges per acre} = \frac{\text{Total Allotable Land Area of respective IT Park}}{\text{Maintenance Charges per acre}}
 \end{array}$$

Guidelines for raising Maintenance charges

1. Demand Notice for the maintenance charges to be raised half yearly on Pro-rata basis.
2. Maintenance charges should not be raised for TANGEDCO/TANTRANSCO starting from FY 2024-25.
3. The Maintenance charges pertaining to TNEB ought to be recovered from other land allottees of respective SEZ on pro-rata basis.
4. ELCOT should bear the Maintenance expenses proportionate to the "Vacant area". Maintenance activities such as Security, Housekeeping, Landscaping pertaining to Vacant area should be kept very minimal. Only occasional expenses such as Bush clearance for vacant lands should be done.
5. If the allottee fails to pay the Maintenance charges within 30 days from the date of demand, monthly Simple interest (9% per Annum/12 months =0.75% per month) may be charged from the date of Demand for the unpaid portion of the maintenance charges
6. Maintenance expenses to be raised for Allottees only from the start month as mentioned in Land lease deed with the concerned allottee.

All the Administrative Officers are instructed to raise the Development and Maintenance charges to the allottees in the Unified portal, on half yearly basis uniformly 10th day of next half yearly with timeline of 30 days as per lease deed, failing which applicable interest may be collected for the defaulted amount/period. It is the sole responsibility of the Administrative Officers concerned to raise invoice properly to all the allottees, adhering to the above guidelines and ensure collection of the same in a timely manner. In case of portal non-functioning or non-readiness, AOs to raise the Development and Maintenance charges manually.


MANAGING DIRECTOR (FAC)

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1. GM(F&A)
2. GM(ITPD)
3. COO,SVP(M)
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