

Subject: 158

DRAFT SUBJECT TO VUDA

Rc.No. 110/98, I-3

Sub: VUDA – Revenue section – Ratification of action taken for consideration of certain grievances submitted by MGM Diamond Beach Resorts (P) Ltd. – Regarding.
@ @ @

The VUDA in its Resolution No. 552 dated 11-7-2000 has approved the recommendations of the committee in considering MGM Diamond Beach Resorts (P) Ltd for allotment of 8 Acs of land in VUDA park on lease basis for 9 years at a licence fee of Rs. 18.00 lakhs per annum with the following conditions.

- 1) Extent : 8 Acres 'As is whereis condition'
- 2) For VUDA park : VUDA, SADA & CRZ clearances for permanent structures to be obtained.
- 3) Lease Period : 9 years with 33% enhancement for every 3 years.
- 4) Security Deposit : 1 year rent, Bank guarantee
2 years rent.

The MGM Diamond Beach Resorts (P) Ltd has paid the security deposit of Rs. 18.00 lakhs and furnished a Bank guarantee for two months rent of Rs. 36.00 lakhs and executed a licence deed.

The MGM Diamond Beach Resorts (P) Ltd has requested in their letter dated 3-6-2006 for consideration of the following grievances duly stating that they have started the operation of the park on 16-5-2003 even though the land was handed over to them on 8-11-2000.

- 1) To postpone the enhancement of licence fee at 33% for 3 years for the period from 2003-2006.
- 2) To reduce the interest for the period from 24% to 8%.
- 3) To permit them to pay the annual licence fee in monthly installments.
- 4) For waival of penal interest pending as on date i.e. 31-3-06.
- 5) Not to encash the Bank guarantee given by them.

- 6) To reduce the enhancement of licence fee from 33% to 10%.
- 7) NOC for open-air drive in theatre.
- 8) To reduce the annual licence fee from Rs. 18.00 lakhs to Rs. 10.00 lakhs.

The matter has been examined in detail and a Committee has been constituted with all HODs and LO for finalization of the grievances of M/s.M.G.M. Diamond Beach Resorts (P) Ltd. After submission of a report by the Committee, the following grievances have been considered.

- 1) It is not considered for postponement of enhancement of annual licensee fee at 33% for 3 years for the period 2003-2006.
- 2) It is not considered to reduce the penal interest from 24% to 8% but it is agreed to reduce the same to 12%.
- 3) It is not considered for payment of annual fee in monthly installment basis but it is agreed to pay the same in advance quarterly.
- 4) It is agreed for waiver of penal interest as on date i.e. 31-3-2006 which works out to Rs. 48,454/-.
- 5) It is agreed not to encash the bank guarantee subject to condition that they should pay the dues by 31-7-06 failing which, the bank guarantee will be encashed.
- 6) It is agreed to reduce the enhancement of licensee fee from 33% for 3 years to 7% every year instead of 33% to 10%.
- 7) The request for grant of NOC for an open-air drive in theatre is agreed subject to obtaining of all the necessary clearances.
- 8) It is not agreed to reduce the annual licensee fee from Rs. 18.00 lakhs to Rs. 10.00 lakhs as it is a settled issue.

The matter is therefore placed before VUDA Board for ratification.

VUDA R.No. 158 dated: 18-12-2006

Resolved to ratify the action for considering certain grievances submitted by MGM Diamond Beach Resorts (P) Ltd as indicated in the agenda note.


Chairman, VUDA