

DRAFT SUBJECT TO THE VUDA BOARD 183

**Subject:** VUDA- Planning-Mega Housing Projects-“c.m’s vuda model township development.” submitted for approval of proposed residential town ship with world class amenities at Madhurawada, Visakhapatnam.

**AGENDA:**

Visakhapatnam urban development authority intends to develop Mega Housing Projects by establishing self-contained communities with State-of-the-art amenities. There is a need to develop housing infrastructure for balanced distribution of population as projected in our Master Plan. The main emphasis is on LMIG houses by focusing the life style related infrastructure to improve the quality of life.

Housing as an urban infrastructure, VUDA conceived Mega Housing Projects with joint venture partnership by private agencies. Accordingly, a subject has been placed before VUDA Board vide subject No.97 and **resolved to take up the Mega Housing Projects dated 14.5.2003** under the name and style C.M’s VUDA model Township Development.”

Resolved to place on record the interest taken by the Vice Chairman in inviting private partners to take-up joint ventures and commercial projects with private partnership participation (PPP) based on the development concept basis in collaboration with well reputed promoters / firms within and outside the country to provide quality housing. The Vice Chairman is authorized to invite private participation in developing model townships and invited Joint Venture partners to ‘**Design, Build and Promote**’ Mega Housing Projects by selecting potential sites in Visakhapatnam Urban limits.

#### LOCATION :-

- Madhurawada, located 2.5 km from NH 5 Road, abutting 100' wide road connecting NH5 to Beach Road, on the foothills of Bavikonda.

Proposed extent of site at Madhurawada is ac.40-00cts

An extent of Ac.35.19 has been handed over to VUDA in S.Nos 365/1,395/2,397,399 of Madhurawada. Another extent of Acs.35.00 cts was added to Madhurawada site to be developed in second phase.

#### SALIENT FEATURES:

- Extant of proposed site: Ac. 40.00
- It is a vertical housing project, designed with Stilt + ground + 8 Floors.
- Total no. of units : 2000
  - MIG group1 : 400
  - MIG group 2 : 1200
  - HIG units : 400
- Plinth areas: (tentative)
  - MIG group1 : 850 S ft.
  - MIG group 2 : 1000 S ft
  - HIG : 1500 S ft.
- Project Cost : Rs. 156.68 Crores

#### Apartments

HIG	each unit	: Rs. 12.75 lakhs
MIG-1	unit	: Rs. 8.50 lakhs
MIG-II	unit	:Rs. 7.20 Lakhs

Other Amenities(club House, School, Hospital  
swimming pool, commercial,

recreational, land development etc.) : Rs. 378.60 Lakhs

The cost of the unit is tentative the final cost would be fixed after submission of drawings and specifications by the developer

- The treatment is a unique architectural blend of commercial, health, environmental, entertainment and residential
- The design and plan to be incorporated The Mall, The Plaza, The Community Centre, The Gym, The Drop Off Points, The Recreational Play Courts and The health Centre apart from the living areas.
- Under ground Cable for Electrification, under ground Water Supply Lines, Under Ground Drainage and Sewerage would be Provided.

#### PROCESS:

To firm up the concept, our officers along with Chairman and Vice- Chairman, VUDA visited and studied the similar type of projects executed by Bengal Ambuja Cements, Kolkata and the project being executed by APHB – Singapore firm at Pocharam, Hyderabad on JVC partnership.

An advertisement has been given in Economic times dated 25.6.2003 and repeated on 2.7.2003 calling for **expression of interest** and to submit pre-feasibility reports by interested private agencies on or before 15<sup>th</sup> July, 2003. Reputed builders from Builders Association of India are invited through letters d/ 23-05-03. The eligibility criteria have been fixed that the intending agency should have executed a minimum of 10.00 lakhs Sft of plinth area with repute of building mega housing projects having adequate expertise.

M/s Recherla Foundations, Hyderabad visited VUDA and submitted a proposal on Vadlapudi project site by offering the site for joint venture project on 17-05-03. Project proposals are prepared and placed on web site: [www.vuda.org](http://www.vuda.org) for calling expression of interest from interested promoters. In response to the advertisement both from news paper Ads and web site, 10 firms have expressed their interest to

join with VUDA as joint partners, the interested agencies visited sites and furnished their offers.

A Singapore Based firm M/S Evan Lim & Co PTE Ltd. visited VUDA sites on 30-06-03 and expressed their willingness to submit pre feasibility project report to VUDA on Mega Housing Projects. Bengal Ambuja Housing Development Ltd Kolkata contacted through e-mails to express their interest and project details are sent on 23-06-03. M/s Nahal Chand Laloo Chand, Mumbai, expressed their interest through FAX message, asking project details and details sent on 23-06-03. M/s CESMA International, a Singapore based company visited and expressed interest on Vadlapudi site to take up housing project and SVEC Constructions submitted pre feasibility report proposal on 11-7-03. Ambience Properties Limited Hyderabad submitted feasibility project report showing interest on Rushikonda project site d/14-07-03. M/s Evan Lim & Co, Singapore firm presented project proposals in power point presentation on 15-07-03, accommodating 2000 units in G+8 floors with other amenities for Madhurawada project. M/s LANCO, Hyderabad, M/s IVRCL infrastructure ltd. Hyderabad shown their interest on Vadlapudi site by submitting the report and a soft copy in CD.

Data relating to site condition and other technical aspects were supplied to the interested firms besides arranging visits to sites by VUDA.

The following 4 firms have only submitted pre-feasibility reports before 15<sup>th</sup> july 2003 and placed before the technical committee besides detailing their plans for the appreciation of Planning Wing and Engineering wing officials of VUDA by way of a power point presentation :

1. EVAN LIM & Co Pvt Limited  
Singapore 729913
2. SVEC Constructions Limited  
HYDERABAD-500 001
3. IVRCL Infrastructures & Projects Limited  
HYDERABAD.

4. Ambience Properties Limited  
SECUNDERABAD-500 003

An Evaluation/technical committee constituting experts locally representing architects, builders, urban planners, engineers, internal auditors, legal counsels and financial institutions was involved to evaluate and short list the offers preliminarily vide proceedings Rc.no.1161/G3/03 d/14-07-03.

A pre-bid meeting has been convened by the evaluation / technical committee.

The firms were further asked to submit concept drawings and designs/ layout plans and financial proposals by 4<sup>th</sup> of August 2003. From the above mentioned 4 firms as at SI.No.(1) & (4) have submitted concept drawings, design proposals and financial proposals for Madhurawada project. Their designs / drawings including lay-out plans supported by documents indicating their profile, works executed so far and financial status are submitted. It is further referred to standing council and Auditors of VUDA for opinion and to frame suitable terms and conditions in the interest of VUDA.

Meanwhile, a web design has been prepared d/23-7-03 with details of Mega Housing Project and released through VUDA Web site [WWW.vuda.org](http://WWW.vuda.org) and E-Mail [megahousing@hotmail.com](mailto:megahousing@hotmail.com). All the NRIs of Vizag city were also E-mailed by collecting addresses from the local associations as a marketing strategy and to assess the demand (survey)with an indication that VUDA proposes to build a mega housing project in association with a multi national Construction company without specifying the company in the absence final confirmation of bids / offer. While designing the web site, care has been taken to ascertain the need of the visitor to the site to be a prospective allottee, So far 2200 registrations had expressed interest in the demand registration survey of Madhurawada project and on over all, 6500 hits were noticed 6082 visitors have indicated this choice to own a flat ever since the website was launched on 23-7-03. Thus, there is going to be heavy demand within and outside the country for the proposed project. It is, however

proposed to ensure demand in full before execution of the project in a phased manner.

Considering the progress of the project, a hording has been erected at site by providing the digital painted screen. Soil investigations/ testing conducted by Andhra University, Visakhapatnam, the report of results had submitted to the promoters. A contour survey has been conducted and completed, vide VC, VUDA orders d/14-7-03. Jungle clearance at project site have entrusted to M/s Agro industries Development Corporation, Visakhapatnam and completed.

Simultaneously, continued dialogue with internal auditors and standing counsel for VUDA has been initiated to work out terms and conditions for the proposed joint venture project with private participation for the benefit of the organization. M/s Y.Narayana Murthy & Company Chartered Accounts and internal auditors for VUDA, are of the opinion, that to go in for a tri-partriate agreement based on the developer concept.

The proposed land (Ac.40.00)for development can be handed over to the joint venture partner for designing, building and construction of the flats. The total sale proceeds arising out of the sale of flats can be shared between the partners on agreed principle of sharing mutually, considering land cost component by setting-off the land cost as per basic value / registration value. From the affront costs (unit cost) payable in installments by the prospective buyers of flats / units – allottee – credited with ESCROW a/c to be opened by the developer can be utilized for the project execution. The developer is required to make his own investment as working capital to the extent of a minimum investment of the project up to completion of ground floor slab level as suggested by the financial experts and VUDA. The VUDA will have the total control and supervisory rights by way of constituting a 5-member committee of which two members will be nominated by the VUDA and other (3) members by the developer. The VUDA will handover the site to the developer by appointing a person (official), who will be authorized and empowered to transfer the undivided and unspecified share of land for the flat

owners after completion of the project. The marketing will be shared between the partners with a minimum guaranteed share of the developer and VUDA's good will as primarily a source of strength.

Marketing is contemplated engaging an independent marketing Agency over and above the normal efforts to be made by the joint venture partners. Going by the general enquiries and queries by way of E-mail and website, it is hoped that overwhelming response is there in the market as received the response of demand survey conducted. Nurses association, Visakhapatnam submitted 214 applications requesting allotment of housing units at Madhurawada mega housing project d/ 9-10-03. The legal experts including standing counsel for the VUDA are on the job of working out legal documents including a draft MOU on the proposed joint venture agreement to protect VUDA's interest in all respects and aspects.

The project proposals and Draft MOU prepared are submitted to Infrastructure Authority on 14-8-2003. In this connection the Chairman, Infrastructure Authority, Hyderabad had visited mega Housing project sites on 26-10-03. The project proposals are presented before expert committee by Vice-Chairman VUDA and evaluated, approved in the meeting held at the office of the Chairman, Infrastructure Authority, Hyderabad, on 07-11-2003.

In reply to our office letter d/21 -11-03, M/s Evan Lim & CO Pte Ltd, Singapore responded through Fax that their views would be submitted after getting the expert legal opinion on draft MOU. In response to our invitation, M/S Evan Lim & Co PTE Ltd, Singapore visited Visakhapatnam on 02-01-2004. The proposal has been examined in detail and the company has agreed to the terms and conditions laid by VUDA. Accordingly letter of acceptance has been given to M/S Evan Lim & Co, to start the work, Preparation of drawings and estimates and to submit the same on or before 07-02-2004. The company has agreed to build the Model Unit before commencing the project for prospective buyers to understand the proposed design and specifications.

**PROJECT ECONOMICS AND FEASIBILITY:**

The total cost of the project is Rs 156.68 crores to built 20 lakh sft. Of plinth area excluding the area of amenities. The project period is 24 months. If the cost of each flat is sold as mentioned above, VUDA could realize the land cost and a profit margin of Rs. 7.0 crores.

Therefore, the VUDA will be in a position to develop the land to achieve the objectives set forth in the preamble and be in a position to get the assured returns / amount while the developer will be in a position to design and built quality dwelling units with no investment of land. The subject has been placed before the VUDA Board for necessary approvals.

**VUDA Resolution No.183 dt. 10-1-2004**

Resolved to approve the proposals of proposed residential C.Ms VUDA model township development with world class amenities at Madhurawada



CHAIRMAN.  
VUDA