

SUBJECT NO: 11

Sub: Engg. - VUDA – Integrated Housing Project in S.No.336/P of Madhurawada and LP No.103/89 of Rushikonda Layout measuring Ac.50.00 Cts. by M/s. Radiant Developers Pvt. Ltd., Hyderabad – Representation of Developer for invocation of Arbitration clause of the Development Agreement cum GPA dated 26-08-2005 - Draft subject placed before VUDA Board for perusal and further action - Reg.

- Ref:
1. Development Agreement cum Power of Attorney Doc No.3317 /2005, Dt. 27-8-2005.
 2. T/O. Lr. Rc.No.9744/03/PMU, Dated 16-05-2012 addressed to Principal Secretary to Government, MA & UD Dept.,
 3. Letter of the M/s. Radiant Developers Pvt., Ltd., Dt.10-10-2012 calling to furnish panel of Arbitrators.
 4. T/O. Letter Rc.No.9744/03/PMU, Dated 31-10-2012 addressed to M/s. Radiant Developers Pvt., Ltd.,
 5. Arbitration O.P. No.1 of 2013 filed by M/s. Radiant Developers Pvt., Ltd., Hyderabad in the Hon'ble Court of 1st ADJ at Visakhapatnam.
 6. Orders of the Hon'ble Court of 1st ADJ at Visakhapatnam, Dt.9-4-2013 in I.A.No.354/2013 in AOP 1/2013.
 7. Caveat filed by M/s. Radiant Developers Pvt., Ltd., against VUDA received on 1-3-2013.
 8. Copy of Representation of M/s. Radiant Developers Pvt., Ltd., Hyderabad addressed to Principal Secretary to Government, MA & UD Dept., Dt.20-5-2013 received on 29-6-2013.

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VUDA has undertaken an integrated Housing Project in S.No.336/P of Madhurawada and L.P.No.103/89 of Rushikonda Layout measuring Ac.50.00 Cts land on PPP model as Joint Venture project with M/s. Radiant Developers Pvt., Ltd., Hyderabad during the year 2005. The said project could not be grounded due to various reasons and developments taken place subsequently.

The present status of the project along with brief history is furnished hereunder for information and kind perusal.

- VUDA decided to ground Housing Projects during the year 2003-04 under Sites & Services / Residential Flats to mark Silver Jubilee year 2003 as VUDA SCORES 25 with a name and style "Chief Minister's VUDA Model Township Development". The proposal was approved by VUDA Board in its Resolution No.97, Dt: 14.05.2003.
- A notification was issued on 23.5.2003 in Economic Times inviting partners to "design, Promote and Build Mega Housing Projects with emphasis on LIG & MIG Housing at four locations" calling pre-feasibility project reports from reputed developers those who have executed Housing projects. The Rushikonda Project is one of the projects published in the Notification for an extent of Ac.10.00 Cts.

- Since there was no demand from the developers, another Notification was issued on 02.07.2003 in economic times calling for applications from reputed developers for development of Design, Build & Promote Mega Housing Projects in JV model requesting to furnish pre- feasibility project reports by 15.07.2003.
- In the Notification issued the extent proposed for Rushikonda Project was Ac.10.00 Cts. for which there was no response. Subsequently representations were received stating that the Project was viable technically & commercially provided the minimum extent of land is between Ac.40.00 Cts to Ac.50.00 Cts. Thereafter since an undeveloped bit of Ac.40.00 Cts of vacant bulk land was available adjacent to the said Ac.10.00 Cts., the same was proposed to be added to the Rushikonda Project in addition to the earlier proposed extent of Ac.10.00 Cts thus making the total extent of land available for Rushikonda Project as Ac.50.00 Cts.
- In response to the advertisement, (10) companies have expressed their interest in the project of which the following four have submitted pre-feasibility report with their company profiles / performance during the process of choosing the developer:
 1. EVAN LIM & Co. Pvt. Ltd., Singapore
 2. SVEC Constructions Limited, Hyderabad
 3. IVRCL Infrastructures & Projects Limited, Hyderabad
 4. Ambience Properties Ltd., Secunderabad
- A technical committee with experts in the fields of planning, architecture, engineering, environmental sciences, HUDCO etc., was constituted for the purpose of scrutiny of pre-feasibility reports thus received and recommend the companies to invite Detailed Project Reports (DPR).
- On the recommendation of the technical committee, the following developers, who have opted for the site at Rushikonda have made available their detailed plans and financial offer for further consideration:
 - 1) Ambience Properties Limited
612/613, Swapnalok, Sarojini Devi Road,
SECUNDERABAD- 500 003.
 - 2) IVRCL Infrastructures & Projects Limited
Vijaynagar Colony, HYDERABAD.
- In terms of comparable financial bids, M/s IVRCL Infrastructure Properties Ltd., have offered Rs.3.50 crores towards cost of land and Rs.23.87 lakhs as layout approval fee to VUDA. Whereas M/s Ambience Properties Ltd. have agreed for a minimum guaranteed amount of Rs.7 Crores with additional payment of Rs.34.40 lakhs towards statutory fee for lay-out approval on revenue sharing principle. They have also agreed to remit Rs. one lakh per acre towards infrastructure cost already developed by VUDA in the vicinity as additional revenue. It was also negotiated that ancillary infrastructure (common) facilities to be developed continue to yield revenues on the same percentage of 7.5% as that of realizable revenues.

- Sequel to further evaluation of their offers by the internal and external auditors, legal officer and the engineering / planning wings of VUDA and discussions/negotiations, the offer made by M/s Ambience Properties Ltd., Secunderabad, was preferred to M/s IVRCL Infrastructures & Projects Limited.
- VUDA vide its letter dated 14-08-2003 while informing the Government of the status of the project requested the M.A.&U.D. Department to have the project scrutinized by a competent authority such as Infrastructure Authority, Government of Andhra Pradesh for further advice and guidance. Since the Project outlay was estimated at Rs.104 crores by the developer, it was considered prudent to bring the project under the purview of the Infrastructure Authority Act, 2001 as mega infrastructure project. The requisite details have been furnished in the prescribed format and the M.A.&U.D. Department has accordingly forwarded the proposal to the Infrastructure authority.
- The Infrastructure Authority (IA), Hyderabad, in its meeting held on 07.11.2003 reviewed and approved the Mega Housing project. The minutes of the meeting are extracted as below :
 - On agreed terms and conditions Letter of acceptance (LOA) was issued to M/s Ambience Properties Ltd., Hyderabad for Rushikonda Mega Housing Project vide Lr. Rc. No.1161/Mega hg-II/L3/03/Dt.15-12-2003.
 - Ambience properties Ltd., addressed a letter to VUDA dt. 15-12-2003 nominating their group company M/s. Gandeeva Properties Pvt. Ltd., to execute and implement this project under its banner.
 - An agreement was signed between VUDA and M/s. Gandeeva Properties Pvt. Ltd., on 09-03-2004 for the commercial exploitation of the said land admeasuring Ac.50.00 Cts., in Rushikonda, Madhurawada (V).
 - Thereafter based on certain compliant of irregularities in the said project, the Vigilance & Enforcement Department enquired into all aspects and sent an appraisal note to the Government. The Vigilance & Enforcement Department examined the Bid-process followed for the project in the year 2004 and the remarks of the same were intimated to VUDA vide MA & UD Department Lr.No.8556/E2/2004, Dt:09.09.2004 with findings apart from other things that *“the financial proposal does not appear bestowing undue concessions to the developer”*. While sending the recommendations of Vigilance & Enforcement Department vide Lr.No.8556/E2/2004- 4, MA, Dt.9-9-2004, Principal Secretary to Government, MA & UD Dept., requested Vice-Chairman, VUDA to take immediate necessary action on the recommendations and inform the Government the same.
 - There upon expert legal opinion was called on draft agreement of proposed Mega Housing Project at Rushikonda from Justice Sri B.V. Ranga Raju, High Court Judge (Retd.) who made certain suggestions and modifications.
 - After a meeting held with the Developer on 12-10-2004, M/s. Gandeeva Properties Ltd have sent a revised terms & conditions of the agreement keeping in view of the observations made by the Government based on the report of Vigilance & Enforcement Department.
 - As things stood thus, the Government vide Memo No.15533/H2/2003/MA, Dt.20-11-2004 of MA & UD Dept. directed the Vice-Chairman, VUDA to cancel the tender process in view of steep increase in the price of Real Estate in Visakhapatnam and directed VUDA to invite fresh bids. Pursuant to the

directions given by the Government the VUDA cancelled the tender process vide letter dated 23-11-2004 and informed the developer that deposit paid would be refunded.

- Subsequently, disputes arose between the Developer and VUDA questioning the said cancellation. A Writ Petition was filed in the Hon'ble High Court on 13.12.2004 by the developer for which Government as well as VUDA filed Writ appeals.
- While the matter stood thus the developer invoked Arbitration clause.
- At this juncture Government, MA & UD Dept., intervened in the subject matter and initiated settlement process through negotiations for withdrawing of Writ Petition filed by the developer. After negotiations with the Developer, Government have issued certain instructions vide Govt., Memo No.15533/H2/2003, Dt.29-7-2005 directed the Vice-Chairman, VUDA to enter into fresh agreement basing on the conditions laid down in the Memo.

As per the memo cited above, the following are the negotiated terms & conditions by the Government as agreed by the Developer.

- 1) To enhance the minimum Guaranteed amount from Rs.7.00 Crores to Rs.13.00 Crores.
 - 2) To forego Rs.5.00 Lakhs towards marketing expenses.
 - 3) To purchase VUDA share of 7.5% in club house property at a pre-fixed price of Rs.45.00 Lakhs.
 - 4) To share 7.5% of revenue with VUDA from the sale proceeds of the cottages subject to a minimum guaranteed amount of Rs.50.00 Lakhs whichever is higher.
 - 5) To pay an additional amount of Rs.25.00 Lakhs as interest fee security deposit.
 - 6) To enhance the penalty amount from 9% to 10%.
 - 7) It is also mentioned that VUDA shall also take necessary further action for withdrawal of Writ Appeal in the Hon'ble Court and Government will also take further action for withdrawal of Writ Appeal.
- Accordingly a draft agreement was prepared and got vetted by the Advocate General of Hon'ble High Court of Andhra Pradesh on 18-8-2005.
 - Later Chief Engineer, VUDA entered into Development Agreement cum Power of Attorney with M/s. Ambience Properties Ltd, M/s. Gandeva Properties Pvt. Ltd (as a nominee of M/s. Ambience Properties Ltd.) and M/s. Radiant Developers Pvt. Ltd, Hyderabad (a special purpose vehicle – SPV for execution of the project as Developer) on 26-08-2005 and the same was executed vide Doc No.3317/2005, Dt.27-8-2005.
 - As the matter stood thus AITUC has filed a Writ Petition No.26637/2005 on 1-12-2005 challenging the allotment of Acs.50.00 Cts of land to the said project in the Hon'ble High Court of A.P. There on, the Hon'ble High Court granted status-quo orders on the project vide orders dated 15-12-2005. Subsequently the Writ Petition filed by AITUC was dismissed by the Hon'ble High Court vide its order dated 20-09-2006. AITUC has further filed a SLP vide C.No.1245/2007 in the Hon'ble Supreme Court on 15-12-2006 seeking to grant Interim Ex-parte

Stay of impugned final judgment and orders passed by the Hon'ble High Court. Another Writ Petition No.253/2007 was also filed by Bade Kodanda Rao & Other on 9-12-2006 questioning the non-implementation of G.O.Ms.No.913, Dt.9-11-1987 and not to alienate the project property to any 3rd party.

- The Hon'ble High Court dismissed the Writ Petition No.253/2007 filed by Bade Kodanda Rao & Other on 19-09-2008. The Hon'ble Supreme Court also dismissed the SLP No.1245/2007 filed by AITUC on 17-12-2008 as withdrawn by the party.
- Since two 60' wide roads were passing through the site allotted to the Mega Housing Project there by occupying an extent of Acs.2.51 Cts and disturbing the layout pattern of the Housing Project, it was proposed to delete these two 60' wide roads as the same were not necessary in the said Housing Project layout. There upon Government agreed and confirmed the proposals of draft variation in deletion of 60' wide roads in the said housing project as proposed vide G.O.Ms.No.146, MA & UD H2 Dept. Dt.15-2-2008. Further a Rectification Deed was executed between VUDA(OSD, PMU) and Radiant Developers Pvt., Ltd Hyderabad on 28-2-2008 for changes in boundaries of the project site due to deletion of internal roads as per the Government orders.
- VUDA approved the Building Plans submitted by the Developer vide Prod.Rc.No.9744/03/PMU, Dt.10-6-2009.
- State Level Environment Impact Assessment Authority (SEIAA), under the Ministry of Environment & Forests (MoEF) in their letter dated 29-8-2009 approved for grant for Prior Environmental Clearance for the project subject to the condition that the Revenue Department shall clear the issue of the project distance between the HTL of Bay of Bengal and the Boundary of the Site.
- Following the dispute on East & South-West boundaries of the Project site, further survey of the project site was carried out by VUDA in association with Assistant Director Survey, Revenue Department and with the revised boundaries another Rectification Deed was executed on 4-6-2010.
- After the HTL issue has been demarcated by the Revenue Department, the SEIAS in their order No.SEIAA/AP/VSP-27/2009-811, Dated 22-6-2010 have accorded prior environmental clearance to the Project under the provisions of the EIA Notification 2006.
- The Developer submitted a revised DPR on 19-6-2010 with a Project cost of Rs.255.45 Crores on 19-6-2010 and revised concept plans for approval of VUDA.
- Thereafter the Government constituted an Expert Committee vide G.O.Rt.No.724 of MA & UD (H2) Department, Dt.26-6-2010 to evaluate specific issues related to Projects like PPP, BOT & Outright Sale Mode Basis. Accordingly, the constituted Expert Committee made a visit to the Project site to have firsthand knowledge on the Project site and developments in the vicinity area and met on 18-7-2010 & 31-07-2010 and held discussions on the nature of the Project.
- Based on the Agreement conditions and the DPR submitted by the Developer the Expert Committee discussed at length and made the following observations:

- 1) As per the DPR, the developer presented the total Project cost as Rs.257.45 Crores and the total sales realization as Rs. 310.07 Crores.
 - 2) The developer further stated that the projected profit, as per DPR, to the developer (JV Partner) is Rs.28.41 Crores after total investment towards development of the Project of Rs. 257.45 Crores.
 - 3) The expected revenues shown to VUDA on 7.5% of the Gross Sales + Rs.45.00 Lakhs for club house and Rs.50.00 Lakhs for cottages is Rs.24.21 Crores.
 - 4) Accordingly, the developer stated that the amount as shown in DPR towards VUDA share of Rs.24.21 Crores including club house and cottages as Minimum Guaranteed Sum(MGS) (or) 7.5% of the gross sales realization over and above the MGS of Rs.24.21 Crores whichever is higher may be agreed to in lieu of earlier VUDA share of Rs.13.00 Crores as MGS (or) 7.5% of the Gross Sales Realisation whichever is higher.
- The remarks of the Expert Committee along with DPR were forwarded to the Government vide Lr. Rc.No.9744/03/PMU, Dt.18-8-2010 for necessary action.
 - Subsequently, Government vide letter No.16515/H2/2010 of MA&UD Dept. Dt: 02.07.2011 have decided to constitute a three member Project Management Committee (PROJECT MANAGEMENT COMMITTEE) with one representative from VUDA, another from developer and third to be an expert from the selected field as mutually agreed by the said two members to monitor (1) to review the revised DPR submitted by the developer. (2) to ensure all the conditions and obligations of the agreement are fulfilled. (3) to draw a new time schedule for the project along with default clauses to be enforced. (4) to ensure that VUDA may get more revenue as a % of gross sale value. The PROJECT MANAGEMENT COMMITTEE shall review the revised DPR and also ensure that there should not be any undue concession to the developer and at the same time there should not be any revenue loss to VUDA.
 - Accordingly the VUDA submitted proposals as requested by the Government vide letter Rc.No.29/2011-12/EE-VIII/VUDA, dt:21-11-2011 to notify the three Member Project Management committee.
 - Subsequently the Government vide letter no. 16515/H2/2010, dt.28-11-2011 constituted the Project Management committee (PROJECT MANAGEMENT COMMITTEE) with the following members.
 1. Sri I.Viswanadha Rao, Superintending Engineer, Representative from VUDA.
 2. Mr. Mahavir Agarwal, Director of the company, representing from the Developer M/s Radiant Developers Pvt. Ltd.,
 3. Sri Sairam Mocherla, Vice-Chairman & CEO, Capital Fortunes Pvt. Ltd., Hyderabad.

Meanwhile the Hon'ble Minister of State for HRD, Govt. of India, Dr. D.Purandeswari had represented to the then Hon'ble Chief Minister of Andhra Pradesh, vide letter Dt:16.09.2011 that VUDA has lost huge revenue in this project. She stated that as per the revenue sharing pattern of similar projects in the vicinity, 40% share is to be given to the land owner i.e. VUDA and 60% to the developer. Therefore, the revenue sharing ratio needs to

be renegotiated to bring good revenues to VUDA for development of Visakhapatnam. The Hon'ble Minister further stated that since the developer was offering plots @ Rs.20,000/- for Sq.yard and Rs.1,500 per Sq.ft of construction, it would fetch a total of Rs. 430 crores for 50 acres and even if VUDA were to get a share of 30%, it would get Rs.130 crores as VUDA share.

Subsequently the Hon'ble Minister of State for HRD, Govt. of India, Smt Dr.D.Purandeswari again addressed the Hon'ble Chief Minister of Andhra Pradesh, that the agreement between Radiant Developer and VUDA was a huge loss of revenue to VUDA to the tune of 100 crores and was getting a bad name in her Parliamentary Constituency of Visakhapatnam. She further stated that the agreement was totally one sided and was done irreparable loss to the Government and VUDA. She finally requested that the agreement should be cancelled and a high level enquiry should be ordered for fixing responsibility of mischief and to punish the guilty adequately. Later the Secretary to Chief Minister, forwarded the letter of Hon'ble Minister of State for HRD to the Principal Secretary, MA&UD, who in-turn forwarded to the Vice-Chairman, VUDA for remarks.

As per the instructions of the Government, the Project Management Committee met on 21-12-2011 and 24-02-2012 at VUDA office, Visakhapatnam. The Superintendent Engineer, VUDA was instructed by the Vice-Chairman, VUDA to place the concerns expressed by the Hon'ble Minister of State for HRD, Smt Dr.D.Purandeswari before the committee for consideration.

During the Project Management Committee meeting conducted on 24-02-2012, the members of the Project Management Committee requested the Vice-Chairman, VUDA to be present in the Project Management Committee meeting to make it more meaningful. There upon Vice-Chairman, VUDA accepted the request and attended the meeting. Apart from other issues, the following issues discussed in the said meeting.

- 1. The independent Member of the Project Management Committee initiated proceedings and briefed the scope of work, nature of work and support required for the Project Management Committee including specific issues to be considered by Project Management Committee in the light of provisions of the Development Agreement. Copies of draft notes prepared by the independent Member for discussion (Annexure 1) were circulated to the other members of Project Management Committee and the special invitee. He further expressed that the Project Management Committee can only be a recommendatory body for implementation of the project. In view of the provisions of the Development Agreement, the issue related to percentage of revenue sharing was a matter beyond the scope of the Project Management Committee and issues if any to be resolved between VUDA and Developer. The Project Management Committee can carry out its scope of work, which is limited by what is contained in the Development Agreement effectively, only if there is finality on the*

revenue sharing issue, following a review of the matter by VUDA and the developer and /or in consultation with the Government.

2. The Developer member presented the project details by furnishing copy of summary of Project details to all the Members of Project Management Committee and Vice – Chairman, VUDA. The Developer explained the Business Plan and Project Implementation in brief along with the description of layout and Master Plan, Infrastructure and Amenities, Marketing strategy, Revenue sharing mechanism etc., As per the Abstract Project Summary furnished the following are the salient features:

Item	As per the revised DPR submitted to the Government	As per the present proposal submitted by Radiant Developers to Project Management Committee
The Total Built-up area	7,73,023 Sft	11,31,100 Sft
Total Project Cost	Rs 281.66 Crores	Rs 391.61 Crores
Sales Revenue	Rs 310.07 Crores	Rs 418.65 Crores
Revenue share payable to VUDA @ 7.5% of sales + Rs 45.00 Lakhs & Rs 50.00 Lakhs for club & cottages	Rs 24.21 Crores	Rs 32.35 Crores

3. Mahavir Agrawal, the member representing the developer, expressed that they have completed a similar Project in Manikonda, Hyderabad where they had a Development Agreement with the land owner wherein the developer took fully built 39 flats / villas as developer share and gave 21 fully built flats / villas to the land owner as his share. The developer further informed the other Project Management Committee members that in the said Project the land owner preferred to wait till the developer sold his share of flats/villas and later sold his own share of flats/villas at a higher rate. The developer further expressed that with passage of time VUDA can similarly get more amount as their share.
4. After discussions on the developments that have taken place during the course of time, the Vice-Chairman, VUDA expressed that the fundamental issue of revenue maximization to VUDA has to be decided as per the prevailing norms of the construction industry and that it is not justifiable, under any circumstances for VUDA to accept the present revenue share of 7.5% of sales realization. The Vice-Chairman, VUDA expressed that VUDA should get a share of the built-up area in the Project as was done by the Developer in a similar Project at Hyderabad and opined that a minimum of 40% of the total built-up area should be given to VUDA as its share in the Project since it was the prevailing construction industry norm. The Vice-Chairman further raised that a number of complaints have been received from general public, media and politicians regarding the loss of revenue to VUDA in view of prevailing land cost in the vicinity. At this point the Vice-Chairman,

VUDA also quoted the recent auction notification given by VUDA for the land bit of Ac.11.30 Cts abutting the subject Project site at an upset price of Rs 5.30 Crores per Acre. He added that it is quite natural to compare with similar Public Private Partnership Projects taken-up in the vicinity and the prevailing norms of the construction industry as VUDA is a Government organization. Otherwise it would not be considered as a fair Public Private Partnership Project beneficial to the Government and VUDA.

5. The Developer expressed that prevailing norms of the construction industry cannot be followed in this Project especially since a huge amount was already spent by them on site leveling and reclamation of land and moreover it is to be seen that the Project was awarded 8 years back and that they were the victims of delay and other court litigations. The Vice-Chairman reiterated that VUDA is definitely looking for increase in the percentage of revenue share in the form of share in the built-up area as per the present construction industry norms.
6. Finally, the Vice Chairman, VUDA expressed that the same percentage of 7.5% of sales realization cannot be agreeable in view of the financial interests of VUDA. He further expressed that though VUDA is positive about the Project it has to be compared to other projects. The Vice Chairman, VUDA finally requested Mr Mahavir Agrawal, Member representing the Developer, to think of an increase in percentage of revenue share to VUDA as a share in the built-up area as per industry norms to put an end to all the controversies and to take forward the Project as VUDA as well the Developer should be benefited on a win-win proposition. However, the Developer stated that they are not in a position to increase any percentage of revenue to VUDA.

Though the above draft minutes of the 2nd Project Management Committee Meeting conducted on 24-2-2012 was communicated to the other members for approval, there is no consensus on approval of the draft minutes. It seems that the objective of the Project Management Committee is defeated since there is a difference of opinion at the fundamental stage of revenue sharing and as such it appears that Project Management Committee is ineffective and redundant in protecting VUDA's interest.

- With regard to the present status of the project, site grading has been completed along with construction of peripheral protection and retaining walls, demarcation of plots with protection walls including certain infrastructure development works which are incomplete.
- In the 2nd Project Management Committee Meeting, the Developer has also presented other details of the Business Plan and stated that he had already spent around Rs.70.00-75.00 Crores towards site leveling, grading and construction of retaining walls and protection walls etc for the project site.

- The CAG while conducting a performance audit on VUDA has specifically commented on the said project that VUDA cancelled the tender process keeping in view the steep hike in real estate prices but later went for an out of court settlement and did not take advantage of highest bidding in retender process.
- After examining all issues in detail and taking all facts and circumstances of the case, the prevailing land rates and construction norms into consideration, the Government has been requested vide letter Rc.No.9744/03/PMU, dt.16-05-2012 to take an appropriate decision to terminate the agreement with the developer since it is neither beneficial to VUDA nor is in public interest.
- As the matter thus is under examination by the Government, the Developer has requested VUDA to specify names of Arbitrators to have a consensus on sole arbitrator in order to resolve the dispute by way of Arbitration during the month of October, 2012.
- In reply VUDA denied the allegations made by the Developer and informed that the alleged disputes / differences raised by the developer to invoke arbitration clause do not fall under disputes / differences and further informed that the notice of the developer invoking for arbitration is not maintainable and is premature.
- Aggrieved on the above, the Developer M/s. Radiant Developers has filed an Arbitration petition A.O.P.No.1/2013 in the Hon'ble Court of 1st Addl. Judge at Visakhapatnam on 05-01-2013 praying the Hon'ble Court to pass orders in its favour and against the respondent by way of interim measures of restraining the respondent from causing obstruction to the petitioner from proceeding with the work of development of the petition schedule property and in this case, VUDA filed counter.
- After hearings completed the 1st Addl. District Judge Court delivered orders in IA 354/13 in AOP 1/2013 on 09-04-2013 that the orders passed previously to made over the AOP 1/2013 to the Principal District Court, Visakhapatnam were set aside allowing the IA made by petitioner.
- Then M/s. Radiant Developers Pvt. Ltd., has filed Caveat on 01-05-2013 in the Hon'ble high Court, A.P presuming that the respondent VUDA is making preparations to directly approach the Hon'ble high Court challenging the order dt.9-4-2013.
- After receipt of certified copy of Judgment, Sri L. Satyanarayana, Standing Counsel VUDA local has opined that "it is a fit case to prefer the appeal / revision before the Hon'ble High Court of A.P against the orders in IA 354/13" vide his letter dt: 30-05-2013.

- Accordingly, the case was entrusted to Sri P. Rajasekhar, Standing Counsel, Hyderabad to file appeal petition at Hyderabad as suggested by the local Standing Counsel.
- While the matter stood thus, M/s. Radiant Developers Pvt., Ltd., has represented to Principal Secretary to Government, MA & UD Dept., Government of A.P to commence process for the appointment of Sole Arbitrator and to give 3 names of Arbitrators of your panel so that a mutually acceptable Arbitrator can be selected vide their letter dt.20-5-2013. Copy of the same was received in VUDA office on 29-6-2013.

In this connection, as per clause-25 – Alternative Dispute Resolution of Development Agreement cum Power of Attorney in case of dispute the following procedure to be followed.

25.1 Disputes and Referral: Any Disputes or differences in relation to or arising out of or touching this Agreement or the validity, interpretation, construction, performance, breach or enforceability of this Agreement (collectively Disputes), shall be referred to arbitration of such person as be mutually decided.

The matter is placed before the Board for perusal and for taking a decision on the request of the Developer regarding initiating the process for the appointment of sole arbitrator in accordance with the agreement condition with mutual consent.

Sl No	Subj ect No	Subject	RESOLUTIONS
10	10	Engg - VUDA - Administrative approval, Technical sanction and Procedure for Finalization of tenders for development works taken up by Engineering Wing in VUDA - Draft subject placed before VUDA Board for perusal and approval - Reg.	The existing procedure followed is approved till government notifies the common procedure.
11	11	Engg - VUDA - Integrated Housing Project in Sy.No.336/p of Madhurawada and LP No.103/89 of Rushikonda Layout measuring Ac.5.00 cets by6 M/s Radiant Developers Pvt Ltd, Hyderabad - Representation of Developer for invocation of Arbitration Clause of the Development Agreement cum GPA dated 26.8.2005 - draft subject placed before VUDA Board for persual and further action - reg	This matter is to be placed before the Committee headed by <ul style="list-style-type: none">• District Collector, Visakhapatnam with members viz,• Commissioner, GVMC ,• Additional Secretary to Finance Department and• DTCP. VC to produce necessary records before the Committee and produce the committee's recommendations in the next board meeting.


CHAIRMAN, VUDA


20/12/2013