

SUBJECT NO. 39

Sub:- Revenue Section – VUDA – Vysakhi Jala Udyanavanam (P) Ltd – Sri Sai Raghavendra Engineers & Contractors – Licence period expired by 31-1-2013 – Renewal of Licence period as per the recommendations of the committee – Reg.

AGENDA NOTE: -

The Managing Director, Sri Sai Raghavendra Engineers & Contractors (P) Ltd. Licensee of Vysakhi Jala Udyanavanam in his letter dt.31-1-2013 has requested for Renewal of the license for a further period of 9 years.

It is submitted that VUDA has taken over possession of an extent of Ac.3.48 Cts. in T.S.No.144 of Visakhapatnam Urban Mandal (Peerla Koneru) from Fisheries Department for development of Dykes tank as a water Resort as per the Orders of the District Collector, Visakhapatnam vide Lr.Rc.No.3713/98/B2 Dt.23-9-98.

VUDA has invested an amount of Rs.92.97 Lakhs from 1998-99 to 2003-04 towards development of the said site as Dykes tank. But an amount of Rs.9.54 Lakhs only was received up to 11/2003. Therefore there is heavy loss to the VUDA in getting the revenue towards the expenditure incurred for running the said project and with a view to realize the investment made by the VUDA and to maintain the same for the purpose of the public duly investing more money by adding additional alterations, the Vysakhi Jalaudyavanam project was proposed to be entrusted to the private agency

M/s. Sri Sai Raghavendra Engineers & Contractors Private Limited has come forward to develop the park on licence rent basis initially @ Rs.96,000/- per annum with annual enhancement 5% for a period of 9 years. They also proposed to spent Rs.50.00 Lakhs for renovation of the park.

Under the circumstances stated above, it was considered to entrust the Dykes tank to M/s. Sri Sai Raghavendra Engineers & Contractors Private Limited with following conditions: vide this office proceedings R.c.No-29/2000/I-3,

dt.31-1-2004.

- 1) The Vysakhi Jala Udyanavanam can be allotted on licence basis for renovation improvement and maintenance of the park on monthly rent of Rs.15,000/- per month inclusive of return on investment for 9 years initially with increase of 5% of rent every year as indicated in the developers offer and subject to renewal there after for another 9 years depending on their satisfactorily operation and maintenance of the park/facilities, as per the developmental plans submitted by the developer.
- 2) The entry fee tickets of Rs.2/- per head with initial years and Rs.3/- from 3rd year onwards till 9th year will be supplied to the developer by VUDA.
- 3) The developer is requested to pay Rs.1,80,000 towards 12 months rent deposit and Rs.20,000 towards electrical consumption charges deposit.
- 4) The developer has to execute a license agreement with VUDA duly affixing Rs.100/- special adhesive stamp.
- 5) The rent will be charged with effect from 1-2-2004, the date of occupation of the premises or from the date of execution of agreement which ever is earlier.
- 6) The developer has to pay regularly monthly rent@Rs.15,000 on or before 10th of every succeeding month.
- 7) The rent paid beyond 10th attract 2% late fee.
- 8) Right of admission for the VUDA officials to enter the park and verify the developers account at any time is reserved.
- 9) The VUDA reserves right to terminate the lease without notice for violation of any of these conditions. As far as other charges are concerned i.e., boat & video games, Restaurants etc., will be developed and maintained by the developers choice.

The VUDA vide resolution No.197 Dt.24-2-2004 has resolved to approve the proposals of licence of Vysakhi Jala Udyanavanam to Sri Sai Raghavendra Engineers and contractors Private Limited @ Rs.15,000/- per

month with annual enhancement of 5% for a period of 9 years subject to condition that Sri Sai Raghavendra Engineers has to spent Rs.50.00 Lakhs for renovation of the park and also subject to the other conditions as indicated in the subject note.

As per the condition No-1 to 3, the licensee is paying monthly rent of Rs.15,000/- per month with 5% enhancement every year and paid deposits of Rs.2.00 lakhs. At present, the firm is paying Rs.22,162/- p.m and is paying the rent regularly. The license period has been expired by 31-01-2013 after completion of 9 years. As per license agreement under page No.2, the VUDA has granted permission to the licensee for developing the schedule property as a park with amusement, recreation, functions and restaurant facilities under the name and style "VYSAKHI JALA UDYANA VANAM" subject to certain terms and conditions.

In the allotment order dt.31-01-2004 under condition (1), it was stated that the renewal for another 9 years depending on their satisfactorily operation and maintenance of the park/facilities as per the development plans submitted by the developer. The proceedings dt.31-01-2004 shall be a part and parcel of the licence and conditions set out there in and shall be binding on the licence vide condition No-21 of the licence agreement dt.27-10-2006.

After completion of 9 years, the developer has requested the Vice Chairman, VUDA vide their letter dated:31.01.2013 to renew the license for a further period of 9 years as they were prompt and paid the license fee in time and never committed default and maintained the project with pride and reputation and in the nine year license period they have cleared the bank loans and secured debts but are yet to clear the unsecured loans and realize their investment.

Vide note orders dated 21.03.2013, the Vice Chairman has constituted a committee comprising Secretary, CE, CAO and DFO with certain guidelines to examine and submit a report for taking necessary action with respect to renewal of lease agreement of Vaisakhi

Jalavudyanavanam with Sri Sai Raghavendra Engineers and Contractors Pvt.Ltd . In the mean time, M/s. Sri Sai Raghavendra Engineers & Contractors Private Limited is allowed to continue in the premises by giving an undertaking that he is ready to pay the increased rent whatever is arrived at after the committee's recommendations and the Company has given the undertaking in this regard on 21-02-2013 .

The committee has examined the issues and submitted the report as follows.

SI No.	Issue to be considered	Present status	Recommendation
1.	Tenure of extension (whether it will be profitable to go for another 9 years or less than that)	Proceedings RC.NO.29/2000/P.M. dated 31-01-04 for 9 years subject to certain conditions.	The committee recommends for 9 year term for extension of the tenure with execution of a fresh lease agreement.
2...	Rent per month to start a fresh renewal	Rs. 15000/- per month	<ul style="list-style-type: none"> • The committee recommends for fixing the monthly rent as Rs. 30,000 as the present rent of Rs.1 5,000 was fixed way back in the year 2004 • It is observed on verification of the bill books and registers of Vaisakhi Jalavudyanavanam that on an average the main function hall i.e. SSR hall is occupied on 45 Sundays in a year out of 52 Sundays. During non Sundays , the occupancy was found to be 30% which comes to 94 days. • The charges/rents of SSR hall are as follows <ol style="list-style-type: none"> 1. Rs. 1. 50,000 for for marriages for 22 hours 2. Rs.20,000for reception For 4 hours 3. Rs.12,000 for meetings. • The charges/rents of Minihall with cellarfor receptions are as follows <ol style="list-style-type: none"> 1. Rs.7,000for 4 hours 2. Rs. 15,000 for marriages • The charges/rents for Garden view hall are as

			<p>Follows</p> <ol style="list-style-type: none"> 1. Rs.7,000for 4 hours 2. Rs. 15,000 for marriages 3. Rs. 1300 on Saturdays for performing artists (this is only towards current charges)
3.	Increase in percentage of rent per annum	5% of rent increase every year as per development agreement.	The committee recommends for 10% increase every year in the new development agreement.
4.	Entry fees for coming years	Rs.2/- for initial 2 years and Rs.3/- from 3 rd year onwards up to 9 years.	Since the goers to the park is not in substantial numbers, the committee recommends for hiking the cost Rs.2 ticket to Rs.3 and Rs.3/- ticket to Rs.5/-.
5.	Deposit and Electrical caution deposit	Rs. 1,80,000/-towards 12 Months rent deposit and Rs.20,000/- towards Electricity consumption charges deposit.	<ul style="list-style-type: none"> • Rs.3,60,000 toward 12 months rent deposit and Rs..Towards electricity consumption charges deposit should be levied. • At the time of agreement, there was LT line connection in the name of VUDA, as the consumption increased the lease holder has approached the electrical department and got HT line installed. The transformers and other electrical equipment is installed by Sri Sai Raghavendra Engineers and Contractors Pvt.Ltd -the lease holder and the service connection is also in the name of the lease holder. • The lease holder had also Deposited Rs.7,00,000 with APEPDCL towards power consumption in advance • Therefore, the committee recommends for 30,000 towards electricity power consumption deposit.
6	Revisit of late fee percentage if not paid before 10 th	Rs.2 % will be attracted if the rent is paid beyond 10 th .	The same 2% late fee shall be continued if the rent is paid beyond 10 th of a month

7.	Facility to incorporate new conditions as and when circumstances warrant		The present lease holder Sri Sai Raghavendra Engineers and Contractors Pvt.Ltd agreed before the committee that they will agree for VUDA's condition to incorporate new conditions as and when circumstances warrant.
8.	What is the present proposal of development of infrastructure with in this renewal period sought	The committee consisting of Secretary, C.E. C.A.O, D.F.O is constituted to discuss in detail.	<ul style="list-style-type: none"> • Sri Sai Raghavendra Engineers and Contractors Pvt.Ltd- the lease holder has invested nearly Rs.1.2 crore towards construction of the building, installation of pump sets, electrical works, plant and machinery and furniture between 2004-05. • Subsequently invested nearly 20 lakh rupees towards the upkeep and repairs which excludes the general maintenance. • Sri Sai Raghavendra Engineers and Contractors Pvt.Ltd the lease holder proposed in his fresh proposal that they would develop <ol style="list-style-type: none"> 1. Fun zone with an estimated amount of Rs.3,00,000 2. Foundation with an estimated cost of Rs.2,00,000 3. Apple ground with an estimated cost of Rs.3,00,000 4. Family Sit out at an estimated cost of Rs.1,00,000
9.	Period before which he has to complete the development as per his proposal.	Within 9 months from the date of this office proceedings dt.31-01-2004.	Sri Sai Raghavendra Engineers and Contrators Pvt.Ltd-the previous lease holder assured the committee that the proposed works would be completed by December, 2013
10	Putting one condition of giving for free of cost to the official events of VUDA.		Sri Sai Raghavendra Engineers and Contractors Pvt.Ltd-the previous lease holder agreed to offer the premises for free of

			cost to the official events of VUDA, with a request that the premises will be Offered to VUDA on prior intimation, since people book the function and meeting halls much in advance.
11	Sharing of advertisement revenues. There can be routine expenditure / revenue, by the agency with VUDA.		Sri Sai Raghavendra Engineers and Contractors Pvt.Ltd-the previous lease holder agreed for a revenue sharing on 50:50 basis with VUDA.
12	Any other condition in the interest of VUDA.		<ul style="list-style-type: none"> • Greenery has to be improved • Ticketing should be computerized • Boating facility can be installed (at least pedaling type) • Monthly or quarterly report on occupancy and revenues should be submitted to VUDA • Open air auditorium need to be renovated.

Accepting all the recommendations except the period of renewal, the Vice Chairman remarked that the renewal clause is not approved by Board and only reflected in the proceedings of Vice Chairman as the period of renewal is for NINE YEARS, the matter is being placed before the Board for taking a decision on the request for renewal as per the proceedings.

The matter is placed before the Board for favour of kind perusal and to take necessary decision whether to renew the Licence period of Vaisakhi Jala Udyanavanam for a further period of 9 years with effect from 1-2-2013 along with other recommendations of the committee as narrated above.

SI No	Subject No	Subject	RESOLUTIONS
38	38	VUDA - Projects - Development of Commercial Complex with Multiplex at Vizianagaram on BOT basis- request for waiver on the interest on late payment of Additional Development Premium and Lease Rent-Reg.	Perused the issue. The request for interest waiver is not considered.
39	39	Revenue Section - VUDA - Vysakhi Jala Udyanavanam (P) Ltd - Sri Sai Raghavendra Engineers & Contractors - Licence period expired by 31-1-2013 - Renewal of Licence period as per the recommendations of the committee - Reg.	It is directed to refer the issue to the Committee as constituted in the Agenda No.36
40	40	VUDA - Bulk land allotment - Auction of Government Bulk Lands to give budgetary support to the Government - Allotment of site for an extent of Ac.4.50 Cts. In Sy.No.336/p at Madhurawada Village, in Rushikonda Satellite Township Visakhapatnam District - Exclusively allotted for Hospital Purpose - Development Agreement concluded with M/s. Adithya Construction Company India Private Limited for construction of Residential Building - Proposal -	Except for the allied purpose of the utility, it is not allowed to revise the approved layout. Moreover, since the powers are already delegated to urban local body, the VUDA need not process for giving building plan approvals within GVMC.



CHAIRMAN, VUDA


20/7/2013