

SUBJECT NO:- 93

Sub:- VUDA - participation in infrastructure development as a joint venture with private agencies – apartments and plots – proposals – regarding.

At present the Government is encouraging development of Urban Infrastructure including Plots / Houses / Flats through private participation and as joint ventures by Government organisations and private agencies. In accordance with the Govt., policies and to take care for the sustainability of VUDA in the long run, it is proposed to enter into tie-ups with reputed private participants duly taking necessary precautionary steps.

The proposals are

- a) The private participant who expresses his interest for a tie up will furnish the documents and plans.

On being satisfied with the documents, VUDA will enter into a MOU with the private participant.

The private participant will take up development of land / construction / infrastructure facilities with his financial sources. VUDA will monitor the construction etc., through user / allottee participation by constituting project monitoring with technical experts and engineers committee.

- b) VUDA will charge a fixed percentage say 7.0% of the realised sale proceeds for lending its name in the joint venture and deploying its technical persons such as planners and engineers for a continuous monitoring along with user committees / allottees to confirm that the

VUDA Resolution No.93 dated 14.5.2003

Resolved to approve the proposals of participation in infrastructure development as a joint venture with private agencies and also authorized the Vice Chairman to take necessary required steps in the matter by calling for expression of interest by reputed firms within and outside the country.

A joint venture with M/s Vivek Nirman, Visakhapatnam for building flats in Ramnagar is agreed in principal and the Board authorized the Vice Chairman to finalise terms and conditions as a pilot project to invite private participation in VUDA.

A proposal received from Karamchedu Financiers, Hyderabad for developing a mega housing project in Vadlapudi (housing) on NH5 shall be further examined by the Vice Chairman and authorized the Vice Chairman to workout further details.



CHAIRMAN

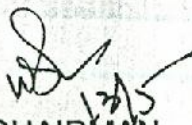
execution is taking place as per approved norms and involving itself in handing over and registration of sale etc.,

By this, VUDA, apart from acting as a facilitator will earn substantially which will be sustainable in the long run. Regulated growth of housing schemes by private developers as per lay-out and building approval norms is possible this way besides boosting the confidence of the allottees.

- c) The public will also stand to gain as the documentation etc., will be verified by VUDA and supervision done through user committee for adopting standard norms which in essence will be equal to third party certification and availing loans etc., will be made easy.
- d) The private agency of the joint venture will also stand to gain by the participation of VUDA by raising the credibility of the project etc., One such proposal received from M/s Vivek Nirman in Ramnagar area is under consideration. Three to four sittings of VUDA officials and the private builders have taken place by the former vice Chairman and the dialogue is continued to be on.

The detailed terms and conditions will be worked out in consultation with the appropriate authorities and press notification issued inviting prospective private participation.

The above proposals are placed before the VUDA Board for approval. For further negotiations and finalisation of terms + conditions in due consultation with internal auditors / standing counsel.


VICE-CHAIRMAN

CHAIRMAN