

Subject No. 123

Sub:- VUDA - Visakhapatnam - PMU wing - Construction of Guest house in Plot No. 'G' of Kirlampudi Layout on BOT basis - Reg.

Agenda Note:

The VUDA Board in its resolution No.25 dated 16.12.2005 has resolved to ratify the action in having awarded the license for a period of 20 years as per the terms and conditions for the construction of the guesthouse on BOT basis to M/s. KSR Properties (P) Ltd., Hyderabad.

The Managing Director, M/s. KSR Properties (P) Ltd., have requested in his letter dated 21.12.2005 to consider 33 years lease period instead of 20 years in line with the prevailing practice in India in respect of all the tourism related projects offered to private developer by various Government bodies and in view of the lease rent quoted by them for Rs.34.00 lakhs per year is extremely lucrative to VUDA.

The request of the developer was forwarded to the Government of MA&UD Department on 23.2.2006 and to issue orders in this regard. The orders of the Government are awaited.

The Managing Director of M/s. KSR Properties (P) Ltd., Hyderabad has again requested in his letter dated 22.4.2006 to increase the present lease period of 20 years to 33 years and allow them to mortgage the building (not the land allotted by VUDA) to any financial institutions for obtaining the loan for construction of the building and for maintenance.

The matter is therefore placed before the VUDA Board to recommend to the Government to consider the request of the developer and issue necessary orders.

VUDA Resolution No.123, dated 31-05-2006

Resolved to recommend to the Government to consider the request of M/s K.S.R.Properties (P) Ltd., Hyderabad to increase the period of licence from 20 years to 33 years and to allow them to mortgage the buildings (not on the land allotted by VUDA) to financial institutions for obtaining the loan for construction of the Building in Plot No.'G' of Kirlampudi Layout.

P. K. -
Chairman, VUDA