

**Subject No.:** 54

**Agenda Note:**

It is to submit that an extent of 4539 Sq.Yds (or) 3795.06 Sq.mts net site area after deducting splay & Gedda out of the total extent of 5253.33 Sq.Yds (or) 4392.30 Sq.mts in S.No. 64/P at KL Rao Nagar Layout, Pedagantyada(V), Gajuwaka, Visakhapatnam has been in possession of VUDA for a long time.

During the course of inspection of the site it is observed on ground that the said land is potential for commercial development with a view take-up remunerative Project and also to ensure regular revenues to VUDA on lease basis as well as development components, the VUDA through it derivable to take-up Development of Commercial Complex with Multiplex and Entertainment components in the subject site on Bid-process Management consultancy of M/s APITCO Ltd., Visakhapatnam.

A notification was issued on 22.11.2010 in the Business Line & Andhra Jyothi calling for Expression of Interest (EOI) for selection of developers for Commercial Complex with Multiplex and Entertainment Centre. In response to the notification 4 applications were received for the Project. Out of the 4 prospective bidder, 3 bidders purchased RPF in the month of January, 2011, 2 bidders attended the Pre-bid meeting in the month of February, 2011. Bid submissions were postponed from 25.2.2011 to 18.3.2011 to encourage better response for bid submission, but none of them submitted their bid document on scheduled date of submission i.e., 18.3.2011.

Due to the ~~low~~ warm response for Shopping Mall with Multiplex, Food Courts, Family Entertainment Centre (FEC), M/s APITCO Ltd., Hyderabad proposed repositioning of the Project with revised Project components such as Shopping Complex, Commercial Complex, Hotel, Health care centre, etc., are a combination of some of these commercial activities as "Multi-use Commercial Complex" and the same proposal was approved by VUDA and the Project was repositioned. To that effect a detailed note on Expression of Interest notified 2<sup>nd</sup>

time inviting Expression of Interest from reputed organizations, corporates, firms, Joint ventures for selection of Private partners for development of "Multi-use Commercial Complex" on build-operate-transfer (BOT) basis. The notification for Request for Proposal (RFP) was published on 30.3.2011 in prominent news papers. 7 Bidders purchased RFP documents. The date of submission of RFP 18.5.2011. Two prospective bidders submitted RFP on 18.5.2011 as detailed below:

S. No.	Name of the Bidder	Legal Entity	Lead Developer	Status of the Bidder
1.	M/s A.S.R. Estates & Builders	Partnership Firm	Consortium	M/s A.S.R. Estates & Builders
2.	M/s Ambica Agarbaties Aroma & Industries Ltd.,	Public Limited Company	Bidding Entity	M/s Ambica Agarbaties Aroma & Industries Ltd.,

A committee with 7 members constituted for evaluation of the Business Proposal.

As per APITCO recommendations, the VUDA is going to generate a total revenue of Rs. 30,81,20,184/- over a period of 33 years on this 4,689 Sq.Yds of land from M/s Ambica Agarbaties Aroma and Industries. The Net Present Value (NPV) of the revenues generated over a period of 33 years are Rs. 7,06,28,319/- @ 9% discounting for this parcel of land, whereas the current basic market value of this land is only Rs. 3,28,23,000/-. The Net Present Value of the revenues generated over a period of 33 years is 2.15 times of the current market value of the land (215% more) and the land will revert back to VUDA with structures after 33 years in as is where is condition.

M/s APITCO Ltd., Hyderabad in letter dt. 9.1.2012 in their concluding recommendations have informed that the bidders M/s Ambica Agarbaties Aroma and Industries has passed the evaluations of Cover-I, Cover-II & Cover-III and emerged as successful highest bidder to develop, finance, build, operate and transfer of the "Multi-use Commercial Complex" at K.L.Rao Nagar, Gajuwaka, Visakhapatnam and further recommended the VUDA can initiate the process of obtaining the approval of Government Body/Government for the issue of Letter of Award (LoA) to M/s Ambica Agarbaties Aroma and Industries

followed by execution of Agreements with M/s Ambica Agarbathies Aroma and Industries for the implementation of the proposed Project.

In view of the above circumstances,

- 1) The matter may be placed before the Hon'ble VUDA Board for approval of proposed Project at KL Rao Nagar, Gajuwaka, Visakhapatnam for development of "Multi-use Commercial Complex" by M/s Ambica Agarbathies Aroma and Industries and also to recommend the Government for approval of the same duly placing reports furnished by M/s APITCO Ltd., Hyderabad letter dt. 13.10.2011 and detailed note dt. 9.1.2012.
- 2) Also to request the two bidders to furnish bank guarantees for the further period of 6 months as the Bank Guarantee furnished by M/s Ambica Agarbathies Aroma and Industries is going to be expired by 11.5.2012 and the other unsuccessful bidder failed to furnish the Bank Guarantee though the VUDA has requested since it is required until the Letter of Award is issued to the successful bidder.

Hence, the matter is placed before the Hon'ble VUDA Board for approval of the above.

*[Signature]* 30/4/12  
VICE-CHAIRMAN

*[Signature]*  
Chairman

*[Signature]*  
Secy

*[Signature]*  
25-4-12  
AO.

**VUDA RESOLUTION NO. 54, DT. 08-05-2012**

The Board discussed the matter and resolved to approve the subject.

  
CHAIRMAN