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VUDA cancels agreement on commercial complex Vaibhav Sky Scapes entered into lease on February 16, 2008. The construction was to be completed in 18 months

VUDA has cancelled all agreements for development of a commercial complex in 6,540 square yards of vacant land and 550 sq yards of underground area for cellar parking.

Orders cancelling the agreement were issued by Vice-Chairman T. Baburao Naidu on Thursday, it was reliably learnt.

PPP mode

Vaibhav Sky Scapes entered into lease agreement with VUDA under PPP mode for the commercial complex on the land adjacent to VUDA building on February 16, 2008.

The lease agreement is for 33 years on lease rent at Rs.70.9 lakh at 5 per cent increase per annum with annual development premium at Rs.1.06 crore per year at 5 per cent increase per annum and refundable project development fee at Rs.2 lakh per year.

As per the agreement, the construction of the project was to be completed in 18 months.

Environmental clearance

VUDA issued orders of approval for the building plan and one of the conditions is obtaining approval from the State-level Environment Impact Assessment Authority. The environmental clearance valid for five years was obtained in September 2011 and revised supplement agreement for lease agreement and development and management agreement was entered into.

With the environmental agreement set to expire on September 14, 2016, completion of the project by then was highly improbable, the VUDA Vice-Chairman is learnt to have observed in his order.

After a meeting with Additional Vice-Chairman of VUDA in February, Vaibhav Sky Scapes informed VUDA that it had identified a new investor, financial due diligence was completed and a detailed plan of action would be submitted to VUDA, it was learnt.

With eight years elapsing and the environmental clearance set to lapse in September, 2016, VUDA can't venture to wait any further, Mr. Baburao Naidu said also citing lease rent outstanding and the expiry of the bank guarantee and issued orders cancelling all agreements entered into with the firm.

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