



LAVASA / SEC/2018

30th August, 2018

Bombay Stock Exchange Limited,
The Corporate Relationship Dept,
1st floor, Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

Dear Sir,

Re: Scrip Code: 949332 & 949333

Subject: 1. Intimation under Regulation 51 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. Corporate Insolvency Resolution Process initiated against Lavasa Corporation Limited

The National Company Law Tribunal vide its order dated 30/08/2018 has admitted a plea filed by operational creditors who initiated Corporate Insolvency Resolution Process (CIRP) against Lavasa Corporation Limited under the Insolvency and Bankruptcy Code 2016 (IBC). NCLT has appointed Mr. Devendra Prasad as Interim Resolution Professional under the provisions of the IBC.

Lavasa Corporation Limited (Lavasa) is jointly held by Hindustan Construction Company Limited (68.7%), Avantha Group (17.18%), Venkateshwara Hatcheries (7.81%) and Mr. Vithal Maniar (6.29%).

“Lavasa is a very special urban development project and an initiative well ahead of its time. While shareholders’ interests have been sacrificed, we are hopeful that the pioneering efforts to grow Lavasa into a thriving smart city will now find stewardship in the hands of a new owner, enabled by NCLT. A swift resolution through IBC will benefit all stakeholders, especially customers, who have patiently supported Lavasa through this tumultuous period.” said Mr. Arjun Dhawan, Director & Group CEO, HCC Limited.

Lavasa was initiated as per the Government of Maharashtra’s policy and regulations for new hill stations as India’s first privately built smart city. The project was planned on the principal of New Urbanism, designed in conjunction with HOK International, to realise an ambitious dream of building a world class urban centre where the average citizen could live and be one with nature. As is

Lavasa Corporation Limited

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CIN: U55101MH2000PLC187834





well known, Lavasa has made substantial progress in building substantial infrastructure, over 2,200 apartments and villas, hotels and numerous city amenities and services, including an international convention centre. Lavasa has also pioneered several environmental initiatives, materially improved the green cover.

The project was severely impacted by a Ministry of Environment notification to stop work for jurisdictional reasons and not for environmental infractions. The consequent delay of 1.5 years in obtaining clearances affected the project and brand Lavasa in many ways. Operations slowly came to a stand-still due to paucity of working capital and caused Lavasa's investors and partners to also step back or defer their investment plans. Furthermore, delay in implementation of an approved Joint Lenders Forum financial restructuring plan resulted in the project remaining stalled for a further 2.5 years. On September 20, 2017, lenders decided to invoke Strategic Debt Restructuring (SDR). However, RBI's revised guidelines on Stressed Assets dated February 12, 2018 disbanded all earlier restructuring schemes. In furtherance of this circular, the Company submitted a resolution plan to lenders which not only envisaged repayment of debt but also completion of under construction buildings to give possession to existing customers. The plan also proposed a sacrifice of HCC's majority shareholding and a change of management at the earliest opportunity. However the plan did not pass with majority of lender representatives. Lavasa, however, takes comfort in a recent amendment to the IBC code that gives customers equal priority with lenders and anticipates an equitable resolution in favour of customers.

Now, under the CIRP process, the Resolution Professional and Committee of Creditors will take charge of Lavasa management and shall work towards implementation of a Resolution Plan within 270 days. HCC hopes that greater decisiveness under IBC will grow Lavasa into the thriving city we originally envisaged.

Thanking you,

Yours faithfully,
For Lavasa Corporation Limited


Sandeep Gurav
Company Secretary

