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Lavasa Corporation Reopens Bidding Process After Deadline Extension Amid Controversy

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Lavasa Corporation, the troubled hill city project near Pune, has reopened its bidding process after creditors decided to extend the resolution deadline. This decision was made following a revised and higher offer submitted by Valor Estate, one of the interested bidders, after the original cutoff date.

The Committee of Creditors (CoC) is expected to formally determine the new bidding timeline in the coming days. The extension, likely to be around two months beyond the previous deadline of August 29, aims to create a level playing field for all bidders. The move is intended to ensure maximum recovery for creditors while avoiding legal complications that could arise from allowing only one late bidder to revise their offer.

Previously, the Yogayatan Group had emerged as the highest bidder with an offer of ₹795 crore on a net present value basis. It had surpassed bids from Welspun at ₹776 crore and Valor Estate at ₹771 crore. However, Valor later submitted an improved bid of ₹806 crore, prompting the decision to reopen the process to allow all participants the opportunity to match or exceed the revised amount.

The decision to accept a late bid and extend the deadline has sparked debate. Some bidders and stakeholders have expressed concerns over transparency and fairness. Homebuyers have also voiced objections, warning that such practices could lead to manipulation and prolonged delays in the insolvency resolution process.

Lavasa Corporation has been undergoing bankruptcy proceedings since 2018. Once envisioned as India's first private hill city inspired by Portofino in Italy, the project has faced financial, legal, and regulatory hurdles for over a decade. The current bidding process is seen as a critical step toward reviving the stalled development and offering relief to thousands of stakeholders affected by the delay.