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PUNJAB URBAN PLANNING AND DEVELOPMENT AUTHORITY,
PUDA BHAWAN, SECTOR-62, SAS NAGAR
(Policy Branch)

To

1. Chief Administrator,
GMADA, SAS Nagar.
2. Chief Administrator,
GLADA, Ludhiana.
3. Chief Administrator,
PDA, Patiala.
4. Chief Administrator,
BDA, Bathinda
5. Chief Administrator,
ADA, Amritsar.
6. Chief Administrator,
JDA, Jalandhar.
7. Chief Accounts Officer, PUDA.
SAS Nagar.

Memo No. PUDA(Policy)-SA-3-2015/ 29502-508

Dated: 31/12/15

Subj: Auction of undeveloped sites – Exemption from payment of Interest till possession.

At present the payment schedule for the residential plots, SSS and Booth sites sold through auction is as under:-

- 10% of the bid amount at the fall of hammer (after adjusting the participation fee).
- 15% of the bid amount is payable within 30 days from the date of auction.
- In case of residential plots, the balance 75% amount can be paid either in lump sum with 5% rebate on the balance 75% amount within 60 days of issue of allotment letter or in 6 half yearly equated installments with 12% interest p.a. First installment becomes due after one year from the date of auction.
- In case of SSS/Booth sites, the balance 75% amount can be paid either in lump sum with 10% rebate on the balance 75% amount within 60 days of issue of allotment letter or in 4 yearly equated installments with interest @12% p.a.

4. It has been observed that in some cases the Authority is unable to deliver possession of the site immediately after auction as the sites are not fully developed. In that event, the allottees hesitate to pay installments and interest on the balance amount for the period till the possession is not handed over. They also indulge in litigation and also generally succeed.

(P.T.O)


5. Under these circumstances, it has been decided that if an undeveloped site is sold through auction, where possession cannot be handed over immediately, then

- i. no interest shall be charged from the allottee of Residential Plots, SSS and Booth sites during the development period i.e. till the site is ready for possession. This period shall not normally exceed one year. However, this period can be further extended by six months in exceptional circumstances with the approval of Chief Administrator;
- ii. there shall not be any change in installment schedule i.e. the 1st installment shall become due after one year from the date of auction in case of Residential Plots, SSS and Booth sites;
- iii. if the possession can be given in 6 months, then the 1st installment shall include interest for the remaining 6 months and if possession can be given in 9 months, then the 1st installment shall include interest for 3 months and if the development period is 1 year or more then no interest shall be charged with the first installment;
- iv. the remaining installments shall be as per the present policy;
- v. the period by which possession is to be given shall be included in the terms and conditions of auction so that the bidder may know when he will get the possession.

This decision shall also be applicable on SCOs/SCFs and recovery of price of SCOs/SCFs shall also be as per recovery of residential plots/SSS/Booth sites i.e. 10% at the fall of hammer, 15% of auction price within 30 days (60 days for lump sum payment) and balance 75% amount (instead of 80% at present) in 4 annual installments alongwith interest @ 12% shall be recovered.

Besides, above it has also been decided that if there is delay in completion of development works and there is any loss to the Authority for non-completion of development works in time, then responsibility of the Officers/ Officials shall be fixed by the Chief Administrator of the concerned Authority and the matter shall be placed before the executive committee.

These instructions are being issued as per decision taken by the Finance and Accounts Committee vide agenda item no. 72.07, decision of Executive Committee vide agendas item no 12.05 and ratification of the same by the Authority vide agenda item no. 53.14.


Establishment Officer(Policy),
PUDA, SAS Nagar.

O/c

30.12.15