

# **Allotment of Sites on Lease-hold basis to Auto Spare Part Dealers and Auto Repair Mechanics in Chandigarh Scheme, 1999**

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No. 4904-UTFI(5)-98/2056. - Whereas a number of Auto Spare Part Dealers and Auto Repair Mechanics are carrying on the business of sale of Auto Spare parts and Auto Repair Work in the premises/sites/streets not meant for such use, thereby causing unhealthy environment, traffic hazard and public nuisance in the city;

And whereas the Administration endeavored to end the misuse of Commercial Sites and Government Land, in the public interest, formulated a scheme on 12th January, 1996, known as "The allotment of Sites on Lease Hold Basis to Auto, Spare Part Dealers and Auto Repair Mechanics in Chandigarh Scheme, 1996" para 4 of which was found to be violative of Art. 14 of the Constitution by the Hon'ble High Court in Civil Writ Petition No. 14083 of 1993 and as such the scheme is reformulated to mitigate the hardship likely to be caused by evicting the persons carrying on the job of sale of Auto Spare Parts and Auto Repairs and to lay down the procedure, to regulate the allotment of sites;

Now, therefore, in exercise of the powers conferred by section 3 and 22 of the *Capital of Punjab (Development and Regulations) Act, 1952* the Administrator, Union Territory, Chandigarh is pleased to make the following scheme, namely:-

1. The Scheme may be called "the Allotment of Sites on Lease-hold basis to Auto Spare Part Dealers and Auto Repair Mechanics in Chandigarh Scheme, 1999".

2. It shall come into force from the date of its publication in the Chandigarh Administration Gazette.

3. *In this scheme, unless the context otherwise requires.* - All words and expressions used in this scheme but not defined hereunder shall have the meaning attached thereto in the *Capital of Punjab (Development and Regulation) Act, 1952* and the rules made thereunder.

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4. *Person eligible for the allotment.* - Unless otherwise provided, a person who was enlisted in the survey conducted in the month of June, 1997, shall be eligible for allotment of sites subject to the following conditions, namely:-

- (i) Provided that a person, who is already running business of Auto Repairs/ Spare Parts in a site/shop meant for such a purpose, shall not be eligible for allotment;
- (ii) That the applicant does not have any commercial site/shop in his name or in the name of his spouse or dependent children either in the Union Territory, Chandigarh, Mohali or Panchkula:

Provided that if a person who owned a commercial site/shop in Chandigarh or Mohali or Panchkula and has subsequently disposed of the same after the 30th June, 1997 shall not be eligible for the allotment of site under the scheme.

- (iii) A person dealing in Auto Spare Parts should be registered in the Union Territory, Chandigarh, under the Punjab General Sales Tax Act, 1948, as applicable in the Union Territory, Chandigarh and/or the Central Sales Tax, 1956, as on the 31st May, 1997.

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**5. Procedure for allotment.** - (i) Application forms so received, accompanied by affidavit in pursuance of the order dated 10th December, 1996 of Hon'ble High Court in Civil Writ Petition No. 14083 of 1993 by conducting fresh survey shall only be entertained.

(ii) The applicant will be considered for allotment if his name exists in the survey conducted on 23rd June, 1997 to 30th June, 1997 and has applied along with affidavit, claim forms photo supplied for the purpose before the cut off date i.e. 30th June, 1997. All the applications received will be scrutinised by the Screening Committee.

(iii) The eligible persons will be considered for allotment of 431 sites under construction in Sectors 38 and 48 through draw of lots.

The unsuccessful applicants will be considered for limited auction of sites identified near petrol pumps and in various sectors earmarked by the Chief Architect.

(iv) A separate draw of lots shall be held for allotment of sites to the Auto Spare Parts Dealers, to the Scooter Repair Mechanics and to other repair mechanics.

(v) When 10% of the premium has been so tendered on demand, the Estate Officer shall, subject to such direction as may be issued by the Chief Administrator in this regard, issue a letter of intent to the applicant successful in the draw of lots, by a registered post intimating the number, sector, approximate area, premium and the ground rent of the site proposed to be allotted to the applicant. The Estate Officer shall also simultaneously forward a list of each such category of successful applicant to the Chandigarh Housing Board for construction of the respective categories of superstructure on the allotted sites on behalf of the lessees. The precise dimensions of the sites and superstructure shall be fixed by the Chandigarh Administration.

<sup>1</sup>(vi) The applicant shall, unless he refuses to accept the offer within 30 days from the date of issue of the letter of intent, deposit within that period and in the prescribed mode of payment further 15% of the premium of land. In addition to payment of 25% premium under the Scheme, remaining 75% premium may be paid in 120 equated monthly instalments alongwith interest at the rate prescribed in sub-rule (2) of Rule 12 of the Chandigarh Lease-hold of Sites and Building Rules, 1973, as amended from time to time. The rate of interest as specified on the date of allotment shall be applicable:

Provided that balance of 75% may also be made in three annual equated instalments alongwith interest at the rate prescribed in sub-rule (2) of Rule 12 of the Chandigarh Lease-hold of Sites and Building Rules, 1973, as amended from time to time. The rate of interest as specified on the date of allotment shall be applicable:

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1. Substituted vide Chandigarh Administration Gaz. (Extra) dated 24-08-2003 at page 842

Provided further that payment may also be made in lump sum within thirty days from the date of allotment without any interest.]

<sup>1</sup>[(vi) (a) The applicant shall, unless he refuses to accept the offer within 30 days from the date of issue of the letter of intent, deposit within that period and in the prescribed mode of payment, 25% of the cost of construction of the super-structure. In addition to payment of 25% cost of construction under the scheme, remaining 75% of the cost of construction may be made in 120 equated monthly instalments alongwith interest at the rate prescribed in sub-rule (2) of Rule 12 of the Chandigarh Lease-hold of Sites and Building Rules, 1973, as amended from time to time. The rate of interest as specified on the date of allotment shall be applicable:

Provided that balance payment of 75% may also be made in three annual equated instalments alongwith interest at the rate prescribed in sub-rule (2) of Rule 12 of the Chandigarh Lease-hold of Sites and Building Rules, 1973, as amended from time to time. The rate of interest as specified the date of allotment shall be applicable:

Provided further that payment may also be made in lump sum within thirty days from the date of allotment without any interest.]

(vii) If the applicant refuses to accept the offer within the said period of 30 days, he will be entitled to refund of the amount paid by him.

(viii) If the applicant fails to communicate refusal to accept the allotment within 30 days and also fails to deposit 15 percent of the premium under sub clause (vii), the Estate Officer may forfeit the whole or part of the earnest money.

(ix) In both the cases as in sub-clause (vii) and (viii) above, a person, once he fails or refuses to accept the offer of a site he shall not be eligible to apply again under this scheme.

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**6. Commencement and period of lease.** - The lease shall commence from the date of issue of letter of intent and shall be for a period of 99 years. After the expiry of the said period, the lease may be renewed for such further period and on such terms and conditions as the Government may decide.

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**7. Issue of the allotment letter and delivery of the possession after the draw of lots and on receipt of the list of successful applicants from the Estate Officer shall be as in clause 5(v) of the Scheme above.** - The Chandigarh Housing Board shall issue letters to the successful applicants for the deposit of amount for financing the construction of super structure on the allotted sites. It shall be obligatory on the part of the lessees to deposit the amount as determined by the Chandigarh Administration with the Chandigarh Housing Board, in accordance with the letter issued by the Chandigarh Housing Board. The Chandigarh Housing Board shall on receipt of the due payments, construct the super structures and on completion thereon hand over the same to the Estate Officer. The Estate Officer after receiving "No Dues Certificate" issued by the Chandigarh Housing Board, with reference to the payment for each unit of the super structure and after ensuring the payment of the remaining 15% premium of the land from the lessee, shall issue allotment letter for the site to the lessee. The actual possession of the site shall be delivered by the Estate Officer to the lessee after the misuse of shop/site presently occupied by the lessee is vacated by the lessee and the vacation is verified by the Estate Officer.

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**8. Premium.** - The premium of the site shall be such amount as may be determined by the Chandigarh Administration from time to time.

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**9. Mode of payment of premium and consequences of non-payment or last payment.**- (i) In addition to payment of 25% premium under rule 5 (vi) of the scheme, the remaining 75% premium may be paid in lump sum within 30 days from the date of allotment without any interest.

<sup>1</sup>[(ii) If the payment is not made in accordance with sub-clause (i) above, balance of 75% premium shall be paid in 120 monthly equated instalments together with interest at the rate prescribed in sub-rule (2) of Rule 12 of the Chandigarh Lease-hold of Sites and Building Rules, 1973, as amended from time to time. The rate of interest as specified on the date of allotment shall be applicable:

Provided that balance payment of 75% may also be made in three annual equated instalments alongwith interest at the rate prescribed in sub-rule (2) of Rule 12 of the Chandigarh Lease-hold of Sites and Building Rules, 1973, as amended from time to time. The rate of interest as specified on the date of allotment shall be applicable.]

<sup>1</sup>[(ii) (a) The applicant shall, unless he refuses to accept the offer within 30 days from the date of issue of the letter of intent, deposit within that period and in the prescribed mode of payment, 25% of the cost of construction of the super structure. In addition to payment of 25% of the cost of construction under the Scheme, remaining 75% payment of cost of construction may be made in 120 equated monthly instalments alongwith interest at the rate prescribed in sub-rule (2) of Rule 12 of the Chandigarh Lease-hold of Sites and Building Rules, 1973, as amended from time to time. The rate of interest as specified on the date of allotment shall be applicable:

Provided that balance payment of 75% may also be made in three annual equated instalments alongwith interest at the rate prescribed in sub-rule (2) of Rule 12 of the Chandigarh Lease-hold of Sites and Buildings Rules, 1973, as amended from time to time. The rate of interest as specified on the date of allotment shall be applicable:

Provided further that payment may also be made in lump sum within thirty days from the date of allotment without any interest.]

(iii) In case any instalment is not paid by the lessee by the date on which it is payable notice may be served on the lessee calling upon him to pay the instalment within a period of three months together with a penalty which may extend upto 10 per cent of the amount due. If the payment is not made within the said period, the Estate Officer may cancel the lease and forfeit the whole or any part of money if paid in respect thereof which in no case, shall exceed 10 percent of the total amount of the consideration money, interest and other dues payable in respect of the lease:

Provided that forfeiture will not be made in addition to penalty:

Provided further that no order of cancellation or forfeiture shall be made without giving the lessee a reasonable opportunity of being heard. If the order of cancellation is for non payment of penalty, the lessee may show cause why the penalty should not have been levied.

<sup>1</sup>[(iv) In case of delay in payment, interest on delayed payments shall be chargeable at the rate specified in sub-rule (3A) of Rule 12 of the Chandigarh

Lease-hold of Sites and Buildings Rules, 1973. The rate of interest specified on the date of default shall be applicable.]

(v) Each instalment shall be remitted to the Estate Officer in the prescribed mode of payment. Every such remittance shall be accompanied by a letter showing full particulars of the site to which the payment pertains or a statement giving reference to the number and the date of the allotment referred to in para 5(v). In the absence of these particulars, the amount remitted shall be deemed to have been received only on the date, when the remitter supplies correct and complete information.

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**10. Payment of Ground Rent.** - In addition to the premium in respect of the site the lessee shall pay ground rent as under:-

(i) Annual rent shall be 2-1/2 percent of the premium for the first 33 years which may be enhanced by the Chandigarh Administration to 3-1/4 percent of the premium for the next 33 years and to 5% of the premium for the remaining period of lease.

(ii) Ground rent shall be payable annually on the due date without any demand from the Estate Officer:

Provided that the Estate Officer may for good and sufficient reasons extend the time for payment of rent upto six months on the whole on further payment of 6 percent per annum interest from the due date upto the date of actual payment, or the interest fixed by Administration from time to time.

(iii) If rent is not paid by the due date, the lessee shall be liable to pay a penalty not exceeding 100 percent of the amount due which may be imposed and recovered in the manner laid down in section 8 of the Capital of Punjab (Development and Regulation) Act, 1952, as amended from time to time.

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**11. Execution of Lease-deed.** - (i) After payment of full premium, lessee shall execute a lease deed in the prescribed form in such manner as may be directed by the Estate Officer, within six months, or within such further period as the Estate Officer may, for good and sufficient reasons, allow.

(ii) If the lessee fails to execute a lease deed in accordance with sub-clause (i) above, the Estate Officer, may cancel the lease and forfeit a sum upto 25 percent of the premium, provided that before taking action as aforesaid, the Estate Officer shall afford a reasonable opportunity to the lessee of being heard.

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**12. Registration and Stamp Duty.** - The registration of lease deed is compulsory. The lessee shall bear all expenses in respect of the execution and registration of lease deed including the stamp duty and registration fee payable, thereof in accordance with the law in force at the time of execution and registration.

**[12-A. Facility of loan.** - The lessee may, with the previous permission in writing of the Estate Officer, raise loan for the payment of premium or for business/construction purpose from any of the Scheduled Banks situated in Chandigarh but in such case the first charge on the booth/shop site shall be retained by the Estate Officer, Union Territory, Chandigarh.]

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13. *Time by which present site of business is to be vacated.* - The auto repair mechanics and dealers in auto spare parts carrying on business at the present sites/shops which are not meant for the purpose shall vacate the misuse of the site/shop before taking over the possession of the new site and shift to the new sites immediately on issue of allotment letters.

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14. If at any later stage, it is found that the allotment of site has been obtained fraudulently by furnishing false information or by suppressing material facts, the allotment shall be liable to be cancelled by the Estate Officer and the lessee shall be liable for prosecution, apart from being debarred from future allotment under this scheme.

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15. The site allotted under this scheme shall be used only for running business in auto spare parts or auto repair works as stipulated for the respective sites, and for no other trade under any circumstances.

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16. Notwithstanding anything to the contrary the allotment of sites under this scheme, shall be subject to the provisions of the Capital of Punjab (Development and Regulation) Act, 1952, and Chandigarh Lease Hold of Sites and Building Rules, 1973 and further such instructions and orders/amendments made hereunder by the Chandigarh Administration from time to time.

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17. The "Allotment of Sites on Lease Hold Basis to Auto Spare Parts Dealers and Auto Repair Mechanics in Chandigarh, Scheme, 1996" is hereby repealed.

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18. Any dispute concerning or arising out of these scheme shall be subject to be jurisdiction of the Courts located at Chandigarh.

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