

Sub:-VJDA-VSP-Allotment of plots at Rushikonua layout-payment of balance cost due cancellation of allotment orders issued-Request of defaulters for acceptance of balance due amounts by way of DDs duly revocating the cancellation of allotment orders-issued earlier-Reg.

Ref:-Representations of certain defaulters to whom issued cancellation of allotment orders.

2) Legal Opinion dt. 13.11.97 of Sri B.A. Raja Rao, Advocate & S.C., for VJDA at Visakhapatnam.

AGENDA NOTE:

Auction of 248 plots at Rushikonua layout has been conducted during the month of September '96 and October '96 in 2 spells. 18 successful bidders in 1st spell and 7 bidders in 2nd spell have not paid full cost of the plots and deviated the condition No. 20 of allotment conditions issued in S.O. Ms. No. 251/MA, Dt. 22.4.88/MA & U.D. Dept., Govt., of Andhra Pradesh, Hyderabad. Due to default in payment of the balance bid amount intine the allotment of the 25 bidders have been cancelled as per the condition No. 20 of allotment conditions (list of 25 bidders and due amounts is enclosed) 12 defaulters out of 25 defaulters cancelled have sent Demand Drafts towards balance payment and requested for revocation of cancellation. The Demand drafts of 12 defaulters have not been encashed, since the allotment was cancelled under condition No. 20, the balance 85% cost of the plot is to be paid within 90 days or within another 60 days extension granted at the direction of Vice-Chairman, VJDA., for special reasons recorded. Further extension will be considered beyond 150 days in all. As the 150 days time has been over by the end of March and April '97 and the matter relating whether to accept the Demand Drafts sent by the defaulters, by collecting P.I. @ 18% p.a. or to return the Demand drafts, the standing Counsel at Visakhapatnam has been asked to send legal opinion.

The Standing Counsel Sri B.A. Raja Rao, Advocate & standing counsel has sent 14 pages of legal opinion referring relevant clauses and case laws etc., and opined that the VJDA is amply empowered to cancel the allotment and forfeit the entire amount if the allottee fails to pay the entire cost amount within

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150 days of the allotment together with interest for the period beyond the stipulated date of instalment as per the condition No. 20 But on a holistic and pragmatic consideration of the entire grant of the various dimensions having bearing of varying degrees and the matter is fraught with more than meets the eye, on account of certain aspects. He has given many case laws, the scope and effect of sec. 74 of Indian contract act. He has also mentioned the aspect that requires careful consideration of the fact that the work of development of both Rushikonda and Kapulappada layouts is still in progress and that the basic infrastructure required for enabling the allottees to take up construction of houses in the respective sites is yet to be provided.

In view of the foregoing facts and circumstances coupled with the legal position discussed in the opinion, the standing counsel felt that the issue relating to cancellation of allotment and forfeiture of the whole amount paid by the allottees who have made obligatory on the part of the allottees who made substantial payments, merits and warrants favourable reconsideration and it is fair enough to forfeit the MD of Rs. 10,000/- in the case of defaulters giving them an opportunity to pay the balance of the cost of the plot along with a reasonable time. He has further opined that however we cannot afford to lose the sight of the orders of the Govt. basing on which the terms and conditions of allotment were framed and sought to be implemented.

In view of the above, the above matter is placed before VUDA Board to accept the Demand Drafts sent by the defaulters duly obtaining the revalidation of the Demand Drafts from the allottees and send those Demand Drafts to Accounts for encashment and also to issue revocation orders in having issued revocation of cancellation orders earlier duly forfeiting MD of Rs. 10,000/- and giving the defaulters an opportunity to pay the balance of the cost of plot along with such interest within a reasonable time.

The above matter is also placed before VUDA board to send to Govt., for its perusal and ratification.

Statement showing the defaulters of Rustikonda layout auction plots of 1st & 2nd & 3rd

Sl. No.	Name of the Auctee	Plot No.	Total cost of the Plot	Total Amount Paid within 15 days	Balance amount Payable	D.D's sent in after auction	Remarks
1	K. Arun Babu	A-116	141164	31145	109989	-	Requested for extension of time for payment of cost
2	J. Subbala Matha	A-117	142997	31450	111547	-	Requested for extension
3	K. Babu Rao	A-130	92582	23887	68695	-	-
4	P. Soma Satchana Rao	B-165	400257	70039	330218	-	-
5	S. S. N. Murthy	B-182	251334	190122	61212	61212	Requested for revocation as he could not pay the amt due his mother's ill health
6	M. Padmakar	B-191	202223	167630	34593	34593	Requested for revocation
7	P. Seemivasa Rao	B-194	2,56,824	48524	208300	-	-
8	K. Seemivas	B-229	270666	50666	220000	-	-
9	G. Sathyan Babu	B-231	258221	48733	209488	-	Requested for extension for payment in four installments
10	P. Brahma Naidu Rao	B-235	234109	102109	132000	-	Requested for revocation as H.U.C. form submitted and he will pay Rs 15,549
11	K. Sarat Kumar	B-307	285000	52750	232250	-	Requested extension for some medical time
12	D. S. R. K. Rao	C-98	1232000	74800	357200	-	-
13	P. Indira Prasad	C-107	346225	160031	186914	187000	-

	(2)	(3)	(4)	(5)	(6)	(7)	(8)
4 M/Sripadichetty son	C-207	492000	223000	268000	2,00,000	2,00,000	Requested for revocation by paying Rs 20,000 towards balance of 65,800/-
5 A. N. Murthy	D-54	541665	141250	400415	-	-	-
6 K. Rama Devi	D-142	845319	396798	448521	448517	448517	file circulated to S.C for his opinion
7 Dr. M. L. N. Murthy	E-35	747739	407539	340200	-	-	requested for revocation file with SC for his opinion
3 V. Dhana Lakshmi	B-73	874665	151200	723465	723465/-	723465/-	Requested for revocation but she will pay the amount 16-5-97.
9 J. Rajeswar	B-249	213476	100501	112975	60485/-	60485/-	Requested for revocation
0 T. Mahyadevi	B-315	189336	164400	24926	26105	26105	Requested for revocation
1 A. Aruna Purna	B-322	138763	72815	65948	70328	70328	Paid full cost + P.I and requested for revocation
2 P. Narayana Rao	B-324	170296	85544	84752	89842	89842	Paid full cost + P.I and requested for revocation
3 P. Vijaya Kumar	C-108	322669	58400	264269	2,00,000/-	2,00,000/-	-
4 V. Himabindu	D-64	404165	10625	333540	-	-	-
5 J. S. Prabhakar	E-94	722850	318337	404513	422996	422996	Paid full cost + P.I and requested for revocation

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VUDA RESOLUTION No. 114, dated 28-3-98.

Approved. Resolved to accept the D.Ds of the defaulters. The modalities are to be worked out by the C.A.O. and the Vice Chairman and to be approved by the Chairman.

K. S. ...
CHAIRMAN.