

SUBJECT NO.102

Sub:- VUDA – Visakhapatnam – Planning – Mortgage of plots for 25% of plotted area in a layout – Reg.

AGENDA NOTE:-

At present the VUDA is observing the following procedure for approval of layouts.

- 1) B.L.P. showing the roads, open spaces, blocks without giving the plot Nos. on collection of security deposit @ Rs.2/- per sqm. for the entire layout area.
- 2) After development of the B.L.P. with roads, drains, avenue plantation, water supply, electricity, open spaces, the final L.P. is releasing duly indicating the plot Nos.

The layout developers are selling the plots by showing the B.L.P. approved by the VUDA to the public on installment basis and also registering the plots without the development of the layout and without getting the release of the final L.P. from VUDA as per the procedure. The VUDA is canceling such layouts after two years from the date of release of the B.L.P. ultimately, the purchasers are the deceivers from the layout developers.

So as to over come the above, the procedure being observed by the HUDA., Hyderabad for approval of layouts by them is obtained. The Real Estate Developers Association has also requested VUDA to follow the procedure being followed in HUDA.

The HUDA, Hyderabad is approving the L.Ps. directly duly keeping the documents mortgaged with HUDA for the 25% of the plotted area (Plots). For this purpose, the HUDA, Hyderabad, is observing the following procedure.

- 1) Layout applications are being accepted on payment of the processing fees, publication charges, development charges and on production of documentary evidence of ownership over the land by the applicant.
- 2) The applicant is being asked to demarcate the plots and open spaces on the ground as per the plan submitted.
- 3) The applicant is being asked to obtain and produce the certificate of encumbrance on property from the Sub-registrar indicating that the area under mortgage is not sold to any other persons and vests with the developer only.
- 4) The applicant is being asked to fence the area to be mortgaged with barbed-wire and to display a board indicating the particulars of plot Nos. that have been mortgaged to

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Resolved to approve the proposals of approving the L.Ps directly duly keeping the documents mortgaged with VUDA for the 25% of the plotted area (plots) as is being followed By HUDA to have an effective operation of the development of the layouts and to safeguard the interests of the purchasers prone to cheating by mischivous layout developers and to restrict the period of development to one year instead of two years as is in force now.



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VUDA

- 5) The applicant is being asked to furnish the following documents.
- a) Indemnity bond on Rs.100/- non-judicial stamp paper in the format.
 - b) Deed of mortgage by conditional sale on Rs.100/- non-judicial stamp paper in the format duly registered by the Registration Department mortgaging the plot Nos. in favour of HUDA as per the plan.
 - c) Received plan with the signature of owners and regd. Architect.
- 6) A letter is being issued to the applicant approving the L.P. with certain conditions for development.
- 7) A letter is being issued to the Sub-registrar requesting not to register the plots under mortgage with HUDA.
- 8) After development of the layout, the deed of relinquishment is being executed by HUDA releasing the title deeds, ownership rights etc. over the plots mortgaged with HUDA in the format on Rs.100/- non-judicial stamp paper.
- 9) A letter is being issued to the applicant permitting him to handover the open spaces, roads ear-marked in the enclosed plan to the Local Authority through a registered gift deed.
- 10) Proceedings releasing the final layout are being issued to the applicant.
- 11) The layout developer has to develop the layout within a period of year, failing which the area so mortgaged with HUDA shall be forfeited and will take criminal action against such developer. In VUDA, 2 years period is giving for layout development.

The procedure being observed by the HUDA, is proposed to be adopted in VUDA also to have an effective operation of the development of the layouts and to safe guard the interests of the purchasers from cheating of the layout developers and to restrict the period of development to one year instead of two years as is in force now.

The matter is therefore placed before the VUDA Board for approval.