

Pr.No.1059/94 n4

SUBJECT NO: 565

Sub:- ALLOTMENTS - WDA, Vop. - Procedure on forfeiture of amounts in cancellation of houses allotted - Reg.

AGENDA NOTE :

The WDA has constructed number of Housing Schemes under HUDCO Scheme and allotted many number of houses on instalment basis to the general public in various colonies of WDA. The instalments are being collected from 11 years to 13 years. In the old layouts, the instalments are on yearly basis and in the new layouts, the instalments are on quarterly basis. These are no specific rules to be followed regarding forfeiture of amounts in case the allottee fails to pay the arrears after passage of some years followed by cancellation for violation of conditions mainly due to non-payment of instalments regularly.

In the matter of cancellation of allotment on various grounds and forfeiture of amounts etc., the following procedure is being followed in terms of the G.O.Ms.No.113 M.A. dated 24.2.84 in respect of sites.

The allotment of site shall be cancelled.

- (i) if the allottee refuses the plot allotted within 30 days of issue of allotment notice or within such further time as may be allowed by the Authority in its discretion if it he/she fails to pay the cost of site on allotment within the time stipulated;
- (ii) if the allottee fails to execute registered agreement within 30 days of receipt of allotment notice or within such further time as may be allowed by the Authority in its discretion;
- (iii) if the allottee surrenders the site allotted.

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- (IV) If the allottee fails to pay the amount due for the site allotted to him/her on account of balance site cost of instalment or arrears of instalment with penal interest is not paid within the time allowed by the Authority.
- (V) if the allottee fails to commence construction of the building in the site allotted within six months of the allotment of the plot made in his/her favour and complete construction of the building within a period of two years or within such further time as may be allowed by the Authority in its discretion in accordance with the rules and regulations in force.
22. The following consequences follow the cancellation of the allotment :
- (i) Where the allotment is cancelled under condition 21(i), 15% of the registration fee shall be forfeited;
- (ii) Where the allotment is cancelled under condition 21(ii), the entire registration fee paid by the allottee shall be forfeited to the Authority.
- (iii) Where the allotment is cancelled under condition No.21(iii) the entire registration fee and 10% of the amount till then paid towards land cost will be forfeited;
- (iv) Where the allotment is cancelled under condition 21(iv) and (v), the entire registration fee and 50% of the amount till then paid towards the cost of site will be forfeited.

Of late, it is observed that some allottees in housing colonies are not paying the instalments regularly, thereby the arrears are mounting up. Some allottees are not in a position to pay the arrears and are coming forward to surrender the houses.

There is no set procedure for forfeiture of amounts in case of default of instalments and violation of conditions and surrender of houses for housing colonies. The rules prescribed in the G.O. on allotments are not suitable for houses. Hence the following rules are devised for adoption.

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1. Where allottee surrenders the house for non-payment of instalments (only in case he is up to date in payments and no arrears):

The total instalments he has to pay should be taken into accounts and the interest portion of such instalments + normal interest and other incidental charges are to be totalled up and deducted from the initial amount paid and the balance from the initial amount should be returned with 10% forfeiture along with forfeiture of full deposit.

2. Where allottee surrenders the house for falling in heavy arrears, or allotment is cancelled by WDA for non-payment of instalments and also for violation of conditions:

Same procedure as suggested at (1) above but with 50% forfeiture from the balance amount of initial deposit + entire deposit.

3. In case the allottee pays the full amount of arrears + penal interest etc., after cancellation and in such a case he must be made to pay the deposit amount again treating it as a fresh allotment.

Hence the matter is placed before the Board for approval on adoption of the above rules.

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: Resolved to address D.D.A & M.M.D.A.
to find out the procedure being
followed in such cases.

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