

Ec.No.3340/88 A4

Subject 725

Sub:- Allotments - VUDA - Vsp. - Regularisation of sale transactions and accord sale permission - Reg.

AGENDA NOTE

The following is the rule position on sale of plots and houses allotted, prescribed in the sale deeds executing to the allottees.

SITES:

The purchaser is not entitled to sell the property within 5 years from the date of completion of construction of house on the site allotted, if however, he intends to sell within the above period, the property shall be offered for sale to VUDA and the VUDA shall have the right to purchase the property at the same price for which it was sold to the purchaser and also the building if any constructed thereon at market value at relevant time. If the VUDA does not exercise the right to purchase, the purchaser can sell the property after obtaining written permission from VUDA.

HOUSES :

The purchaser is not entitled to sell the building allotted for a period of 5 years from the date of conveyance (date of issue of sale deed) except with the written permission of VUDA.

The VUDA in its Resolution No.25 dt. 12.4.86 has fixed the following guidelines for according permission to sell away the Sites/Houses within the stipulated time period of 5 years.

1. Any major health problem such as Heart or kidney transplantation, Coronary by-pass surgery, cancer etc., with requires substantial

amount for treatment.

2. Retired person who does not have enough assets or other sources of income to perform the marriage of dependents/or any other genuine purpose that requires huge amount.
3. Owing to some mishap if the family loses the lone earning member and there is no other source of income for the marriage of dependents any other genuine purpose which requires huge amount.
4. Allottees for his business purpose or to mortgage to the Government Institutions for loan purpose.
5. If the allottee is a retired person, he can alienate in the name of his son or daughter if they are otherwise in-eligible.

The VUDA in its Resolution No.611 dt. 24.1.89 has resolved to authorise the Vice Chairman to dispose of the sale permission as per the following guide lines.

1. In cases of layouts where final costs were already arrived, permissions can be given by the Vice Chairman by collecting Rs.50/- towards transfer fee in case of houses and also in case of plots where houses were constructed.
2. In case of layouts where final costs were already arrived but houses were not constructed on the plots, permissions can be given for such transfer of plots subject to collection of Rs.5/- per Sq. Yard towards further betterment cost in addition to Rs.50/- towards transfer fee.

3. The Vice Chairman is requested to fix the final costs immediately in the layouts where no final costs were earlier fixed and where no section 18 references are pending and when once final cost is fixed, permissions can be given subject to payment of transfer fee, and betterment cost as the case may be as stated above.

4. In respect of layouts, where final cost was not earlier fixed but where Section 18 references are pending for enhancement of land values, the Vice Chairman may fix the nearest final cost for the purposes of disposal of sale permissions. The legal opinion in this regard for arriving nearest final cost and effecting transfers be obtained and placed before next Board Meeting.

The VUDA in its Resolution No.738 dt. 28.4.89 has resolved to adopt the nearest final cost fixed in H.V.Palen, Dasappa and Herringale Layouts in case of sale permissions only and also to adopt the sale deed recommended by the legal advisor in these cases.

The then Vice Chairman has ordered on 5-8-91 in file ~~XXXXXX~~ House No. MIG-I-A-15/MVP/D1 to collect an amount of Rs.2,500/- towards transfer fee for all the sale permission to be issued in respect of the houses from 1.8.91 and in respect of sale permission for sites, it shall be of Rs.35/- per Sq.Yd for areas within the Corporation limits and Rs.10/- per Sq. Yard outside the Corporation limits and in Municipalities, in view of the tremendous increase in the value of property, in the colonies developed by the VUDA.

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The then Vice Chairman has further ordered on 12.5.92 in file H.NO. MIG-IB/67/GPII/D3 to collect an amount of Rs.2,500/- per year for the houses within the Municipal Corporation area for the balance period of 5 years while according sale permission and also ordered to collect an amount of Rs.1,500/- per year for the houses outside the Visakhapatnam Municipal Corporation areas including the Gullalapalem Layout while considering the sale permissions for the balance period of 5 years from the date of registration of the house.

PRESENT PROCEDURE RECENTLY ADOPTED :

Now the rates in the VUDA Layouts are increased abnormally. It is also reviewed after notification in the news papers for auction of the cancelled plots, so many illegal sale transactions were brought to the notice of the Vice Chairman by which the allottees were benefited with great margin by speculating the plots. To reduce the profit margin of the allottees on sale transactions and arrest the speculation, the following procedure is adopted with effect from 16.11.94 in according sale permission of plots and houses allotted by VUDA in supersession of the existing procedure on sale permissions, in anticipation of approval by Board.

$P = (R.V. - F.V.) \times \text{No. of Sq.Yds} (-) \text{Stamp duty paid.}$

P = Amount to be paid by the allottee.

RV = Present registration value as collected from the Registrar's office per Sq. Yard.

FV = Final value payable by the allottee per Sq. Yard as calculated by VUDA.

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There are number of representations from the allottees that the above formula of charging for sale permission is very high and they expressed their inability to comply with the above requirement. Hence they have requested for re-consideration. The procedure what has been followed earlier and now what is being adopted is placed before Board to take necessary decision in the matter.

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Resolved to collect only 20% of the difference between present Registration value (as per Registrar office records) per Sq yard and the final cost payable by the allottee as calculated by VUDA multiplied by the no of Sq yards submit to the Condition that minimum of Rs 35/- per square yard in Urban area within Visakhapatnam city limits and Rs 10/- per square yard in other areas for according Sale permission of allotted land by VUDA.

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