
Chandigarh (Sale Of Sites And Buildings) Rules, 1960

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Chandigarh (Sale Of Sites And Buildings) Rules, 1960

No. C. 1880-60/III/2409.- Dated the 8th March, 1960, In supersession of the Punjab Government Notification No. C-5907-52/1V/3304, dated the 16th June, 1952, and in exercise of the powers conferred by Section 22 of the Capital of Punjab (Development and Regulation) Act, 1952, the Governor of Punjab is pleased to make the following Rules :-

1. Short Title :-

These rules may be called the Chandigarh (Sales of Sites and Buildings) Rules, 1960.

2. Definitions :-

In these rules, unless the context otherwise requires :-

(a) "Act" means the Capital of Punjab (Development and Regulation) Ac., 1952;

(b) "Displaced person" means any person who on account of the setting up of the dominions of the India and Pakistan; or on account of civil disturbances or fear of such disturbances in any area now forming part of Pakistan has after the first day of March, 1947, left or has been displaced from his place of residence in such area and who has been subsequently residing in India, and includes any person who is resident in any place in India and who for that reason is unable or has been made unable to manage, supervise or control any immovable property belonging to him in Pakistan ;

(c) "Form" means a form appended to these rules; and

(d) "obnoxious trade" shall be deemed to be carried on or in any site or building, if the site or the building is used for any of the following purposes :-

(i) melting tallow, dressing raw hides, boiling bones, offal or blood;

(ii) as a soap house, oil boiling house, dying house, or tannery;

(iii) as a brick-field, brick-kiln, charcoal-kiln, pottery or lime- kiln.

(iv) as any other manufactory, engine-house, store house or place of business from which offensive or unwholesome smells, gases. noises or smoke arise;

(v) as a yard or deposit for trade in unslaked lime, dry straw, thatching, grass, weed, charcoal or coal, or other dangerously inflammable material;

(vi) as a store-house for any explosive, or for petroleum or any inflammable oil or spirit.

3. Sale By Auction Or Allotment :-

Section 3] - The sites or buildings at Chandigarh shall be sold by the Central Government by auction or allotment. For the purpose of proper planning and development of Chandigarh, the Chief Administrator may reserve sites or buildings for displaced persons, groups of individuals or for persons practising any profession or carrying on any occupation, trade or business.

4. Sale Price :-

Section 22 (2) (c)]

(1) In the case of sale by allotment or by hire purchase agreement

sale price shall be the reserve price, which shall be determined by the Central Government from time to time.

(2) In case of sale by auction, the sale price shall be the reserve price or any higher price determined as a result of bidding in open auction.

5. Application For Sale By Allotment :-

Sections 3 and 22 (2)(d) and (c)]

(1) In case of sale by allotment the intending purchaser shall make an application to the Estate Officer in Form A.

(2) No application under sub-rule (1) shall be valid unless it is accompanied by ten per cent of the sale price in the form of a demand draft payable to the Estate Officer and drawn on any Scheduled Bank situated in Chandigarh or at any other place specified by the Estate Officer, or is paid in cash in the Estate Office in the discretion of the Estate Officer.

(3) When ten per cent of the price has been so tendered, the Estate Officer shall, subject to such directions as may be issued by the Chief Administrator in this behalf allot a site of the size applied for or a building of which particulars are given in the application and shall intimate by registered post the number, approximate area and sale price of the site or building allotted to the applicant.

(4) The applicant shall, unless he refuses to accept the allotment within thirty days of the date of receipt of the allotment order, deposit within that period and in the manner mentioned in sub-rule (2), the requisite amount, so that the total amount including the amount paid under that sub-rule (2) equals at least twenty-five per cent of the sale price of the site, and in the case of buildings, in addition to the said twenty-five per cent in respect of the cost of plot on which the building is erected, pay the price of structure. as determined by the Chief Administrator, in two installments, that is twenty-five per cent at the time of sale and seventy-five per cent within thirty days of the date of sale. This period for payment of the price of structure may be extended by the Estate Officer upto six months from the date of the sale on sufficient cause being shown by him. In case of failure to deposit the said amount the allotment may be cancelled and the payment made under sub-rule (2) may be forfeited to Government by the Estate Officer in whole or in part and the applicant shall have no claim to any damage. Provided that the Chief Administrator may, for reasons to be recorded in writing, in the interest of proper planning and development of Chandigarh, permit the payment of the balance of

seventy-five per cent of sale price of the structure in three equated annual installments in the manner prescribed in rule 10.

(5) If the applicant refuses to accept the allotment within the said period of thirty days, he will be entitled to the refund of the amount paid by him. The refusal shall be communicated to the Estate Officer by a registered letter, (acknowledgement due). The refund shall be made by means of cheque payable at the State Bank of India at Chandigarh or at any other place specified by the Estate Officer and the applicant shall have no claim in respect of the collection charges for the cheque.

(6) Where in exchange for a site previously allotted to an applicant, a new site of higher valuation is allotted to him at his request, the difference in price shall be payable by him in lump sum within thirty days of the date of receipt of the new allotment order.

(7) In the case of allotment of new site as referred to in sub-clause (6), all conditions, including the time-limit for erection of building, relating to the previous allotment shall be applicable to the new allotment.

6. Sale By Auction :-

Sections 3 and 22 (2) (1))]. - In the case of sale by auction, at least twenty-five per cent of the bid accepted by the auctioning officer shall be paid on the spot by the auction purchaser, in cash or by means of demand draft drawn in the manner specified in sub-rule (2) of rule 5; and the balance shall be paid either in lump sum within thirty days from the date of auction or in annual equated installments provided in rule 10. Provided that where the auctioning officer is satisfied with regard to the soundness of the financial position of any auction purchaser, he may, for reasons to be recorded by him in writing on the auction papers, allow such auction purchaser to make payment on the spot of an amount less than twenty-five per cent of the bid accepted, but in no case less than ten per cent thereof, subject to the condition that the full payment of the balance of twenty-five per cent of the bid accepted shall be made within period not exceeding thirty days from the date of the auction and if the auction purchaser fails to pay the balance of the twenty-five per cent of the bid accepted within the said period of thirty days, the sale shall be cancelled and the money already paid by the auction purchaser. be forfeited to Government.

6A. Transfer By Hire-Purchase Agreement :- Notwithstanding anything contained in rule 3 the Government may transfer any site

or building at Chandigarh by hire-purchase agreement and for the purpose of proper planning and development of Chandigarh may reserve any site or building for transfer by hire purchase agreement to any class or category of persons.

6B. Rent Payable Under Hire-Purchase Agreement :- Reserve sale price determined by the Central Government from time to time for sale by hire purchase agreement under rule 4 less the amount of rupees one hundred shall constitute the rent of the site or the building as the case may be, and shall be payable as such in the manner prescribed under rule 11-A.

6C. Application For Transfer Under Flier-Purchase Agreement :-

(1) In case of hiring of sites or buildings by hire-purchase agreement the intending hirer shall make an application to the Estate Officer in Form AA.

(2) No application under sub-rule (1) shall be entertained unless it is accompanied by an amount equal to first months rent payable under rule 11 A in the form of demand draft payable to the Estate Officer and drawn on any Scheduled Bank situated at Chandigarh or at any other place specified by the Estate Officer, or is paid in cash in the Estate Office in the discretion of the Estate Officer.

(3) When an amount equal to first months rent has been so tendered, the Estate Officer shall, subject to such direction as may be issued by the Chief Administrator in this behalf allot a site of the size applied for or a building of which particulars are given in the application and shall intimate, by registered post, the number, approximate area and rent payable for the site or building allotted to the applicant.

(4) The applicant shall, unless he refuses to accept the allotment within thirty days of the date of receipt of the allotment order, deposit within that period and in the manner set out in sub-rule (2) the required amount so that the total amount including the amount already paid under sub-rule (2) equals at least first three months rent payable under rule 11-A. In case of failure to deposit the said amount the allotment may be cancelled and the payment made under sub-rule (2) may be forfeited to Government by the Estate Officer in whole or in part and the applicant shall have no claim to any damages, whatsoever, on this account.

(5) If the applicant refuses to accept the allotment within the said

period of thirty days, he will be entitled to the refund of the amount paid by him. The refusal shall be communicated to the Estate Officer by a registered letter (acknowledgement due). The refund shall be made by means of the cheque drawn on the State Bank of India at Chandigarh or any other place specified by the Estate Officer and the applicant shall have no claim in respect of the collection charges for the cheque. (6) In case of acceptance of the allotment order within the said period of thirty days, the amount paid under sub-rules (2) and (4) shall be treated as security for the faithful performance of the hire-purchase agreement to be executed by the hirer under rule 6-D and shall be refundable after the termination or the expiry of the hire-purchase agreement if the same is not forfeited to the Government.

6D. Hire-Purchase Agreement :- The hirer shall execute a hire-purchase agreement in form "AAA" before the possession of the site or building is given to him.

7. Delivery Of Possession :-

The possession of the site or building shall be given to the transferee after the acceptance of the allotment within the prescribed period and after payment of the price as specified in sub-rule (4) of rule 5, and in the case of transfer by hire-purchase agreement, the possession of the site or building shall be given to the hirer after he has paid the requisite amount under sub-rule (4) of rule 6-C and has executed the hire-purchase agreement prescribed under rule 9-D.

8. Conveyance Deed For Sale By Auction :-

In case of sale by auction after making payment of the sale price as specified in rules 6 and 10, the transferee shall execute the deed of conveyance in Form B or C as the case may be, in such manner as may be directed by the Estate Officer.

8A. Conveyance Deed For Sale By Allotment :- In case of sale by allotment after making payment of the sale price as specified in sub-rule (4) of rule 5, the transferee shall execute the deed of conveyance in Form D or E as the case may be, in such manner as may be directed by the Estate Officer.

8B. Conveyance Deed For Sale By Hire-Purchase Agreement :- In case of sale by hire-purchase agreement, after the installments of rent together with interest due thereon has been fully paid under rule 11-A and amount payable under rule 11-C has also been paid; the transferee shall execute the deed of conveyance in Form D or E as the case may be, in such manner as may be directed by the Estate Officer.

8C. Permission To The Transfer :- Notwithstanding anything contained in the letter of allotment/conveyance deed imposing a ban on the transfer of site/building as the case may be, or any right, title or interest therein before the stipulated period, the Estate Officer may grant permission to the transfer by way of sale, gift, mortgage or otherwise of the site, building or any right, title or interest therein, after transferee has paid full price of the site/building and if in the opinion of the Estate Officer special circumstances exist for the grant of such permission. This will be applicable to all categories of sites/buildings sold by allotment/hire purchase, or on confessional rates. In the case of transfer by way of sale/gift/mortgage or otherwise of the site or any right, title or interest therein, 1/3rd of the unearned increase in the value i.e. the difference between the price paid and the market value of the site/building at the time of permission of transfer shall be paid to the Government before registering such sale or transfer. The market value of the property for this purpose shall be assessed by the Estate Officer or such other authority as may be prescribed by the Chief Administrator and the transferee shall be entitled to produce his evidence and of being heard :

Provided that 1/3rd of the unearned increase in the value will not be charged if a mortgage or charge of a site/building is created with the previous consent in writing of the Estate Officer, in favour of the Central Government, State Government, Chandigarh Administration, Life Insurance Corporation of India or any Scheduled Bank for securing a loan to be advanced by them for constructing the building on the site. Provided further that in the event of sale or foreclosure of the mortgage or charged property the Government shall be entitled to claim and recover 1/3rd of the unearned increase in the value of the plot as aforesaid and the amount of the Governments share of the said unearned increase shall be a first charge, having priority over the said mortgage or charge.

Provided further that the Government shall have the pre-emptive right to purchase the mortgaged or charged property after deducting 1/3rd of the unearned increase as aforesaid.

9. Use Of Site Or Building :-

The transferee shall not use the site or building for a purpose other than that for which it has been sold to him. In the case of commercial or industrial sites and commercial or industrial buildings the transferee shall not carry on any trade or employ any industry other than that specified by the Estate Officer.

(2) Instead of specifying any particular trade or industry, the Estate Officer may specify that the transferee shall not carry on any trade or employ any industry other than General Trade Semi-Industrial Trade, or Special Trade.

(3) The expressions General Trade, Semi-Industrial Trade and Special Trade shall mean one or, more of the trades respectively mentioned in Parts A, B and C of the Schedule annexed to these rules and shall include any other trade which is not so mentioned provided that such other trade is similar to and carried on in the same fashion as mentioned in the respective part of the Schedule.

10. Instalments :-

(1) Where the transferee in case of sale by allotment or auction intends to pay the sale price in instalments, the balance of sale price together with interest thereon at six per cent per annum shall be payable in three equated annual instalments, the first instalment being payable, at the expiry of one year from the date of the payment of 25 per cent under sub-rule (4) of rule 5 or 6, as the case may be. Interest on the balance of sale price (viz., 75 per cent) shall accrue from the date of issue of allotment order but no interest shall be payable if this balance is paid in full by the transferee within 30 days of the date of receipt of allotment order by him.

(2) Each instalment shall be remitted to the Estate Officer, either in cash or by a demand draft payable to the Estate Officer and drawn on any Scheduled Bank situated in Chandigarh or at any other place specified by the Estate Officer. Every such remittance shall be accompanied by a letter showing full particulars of the site or building to which the payment pertains or a statement giving reference to the number and date of the allotment letter issued under rule 5. In the absence of these particulars, the amount

remitted shall be deemed to have been received and the remitter will be asked in writing to supply correct information within two months of the intimation having been sent to him and no action shall be taken against such a remitter under Section 8A of the Act, if he sends correct information within a period of two months and can prove that he had sent his instalment in due time. Provided that in cases of sale of sites by allotment, the Central Government may for reasons of growth and development of Chandigarh increase the number of instalments for the payment of balance of sale price (other than 25 per cent received along with the application for allotment) from three to five and the period of their payment from three to five years.

11. Procedure In Case Of Default :-

In case an instalment is not paid under rule 10 by the transferee by the 10th of the month following the month in which it falls due a notice shall be served on the transferee calling upon him to pay the instalment within a month together with a penalty which may extend to ten per cent of the instalment payable. If the payment is not made within the said period or such extended period as may be determined by the Estate Officer, but not exceeding three months in all from the date on which the instalment was originally due, the Estate Officer may proceed to have the same recovered as an arrears of land revenue or to take action under Section 8A of the Act.

11A. In Statements Of Rent Payable Under Hire Purchase Agreement :-

- (1) The total amount of rent determined under rule 6-B together with interest thereon at the rate of 6 per cent per annum shall be payable in 144 monthly instalments as under :-
 - (i) First thirty instalments at the rate of Rs. 6 per cent Rs. 1,000 on the reserve sale price; and
 - (ii) 114 equated instalments of the remaining amount together with interest thereon at the rate of 6 per cent per annum.
- (2).The first instalment shall be payable on the date of execution of the hire-purchase agreement prescribed under rule 6-B.
- (3) Interest shall accrue from the date of the issue of allotment order.

11B. Procedure In Case Of Default :- In case an instalment of rent under rule 11-A is not paid by the hirer by the tenth of the month

following the month in which it falls due, a notice shall be served on the hirer calling upon him to pay the instalment within fifteen days together with penalty which may extend to ten per cent of the instalment of rent payable. If the payment is not made within the said period or such extended period as may be determined by the Estate Officer, but not exceeding two months in all from the date on which the instalment of rent was originally due, the Estate Officer, shall terminate the hire-purchase agreement and proceed to recover the outstanding amount as an arrears of land revenue.

11C. Option To Purchase Under Hire-Purchase Agreement :- In case all the instalments of rent together with interest are paid under rule 11-A, it shall be optional for the hirer to purchase the site or the building. as the case may be, by further paying rupees one hundred.

11D. Retransfer Of Site :-

(1) Where a site has been resumed under section 8A of Act No. XXVII of 1952 for any reasons, the Estate Officer may on an application, retransfer the site to the outgoing transferee, on payment of an amount equal to 10 per cent of the premium originally payable for such property or one- third of the difference between the price originally paid and its value at the time when the application for transfer is made, whichever is more. However in the case of a person who is serving or who has served in the Armed Forces of the Union, the amount payable by him or his legal heir for the retransfer of a site shall be 10% of the price originally payable for such site or 5% of the difference between the price originally payable and its value at the time when application for transfer is made, which ever is more. Provided that such transfer shall be permissible only if -

- (i) where the site has been resumed on ground of misuser, the misuser has stopped;
- (ii) where the site has been resumed for non-payment of price, all outstanding dues including forfeiture have been paid;
- (iii) where the site has been resumed for breach of any conditions of sale, the breach has been remedied and conditions fulfilled. Notwithstanding anything contained in the proviso above, when the site has been resumed on ground of misuser or non-completion of the building on it within the stipulated period, the

Estate Officer may allow the retransfer on the applicant agreeing to vacate or have the misuser vacated or the building completed as the case may be within such reasonable period as the Estate Officer may stipulate.

Explanation. - For the purposes of this rule, the expression site does not include a vacant site. A vacant site is a site on which on the date of issue of notice of resumption under section 8-A of the Act, no superstructure had been raised and it includes a site on which foundations had been laid but no superstructure had been raised above that level.

(2) The retransfer under sub-rule (1) shall be in continuation of and subject to all subsisting conditions but without prejudice to all the proceedings of liabilities or subsisting penalties levied in respect of such property before the date of the transfer.

(3) The prevailing price shall be assessed by the Estate Officer or such other authority as may be prescribed by the Chief Administrator and in doing so the Estate Officer or such other authority shall give the applicant reasonable opportunity of being heard. The assessment made by the Estate Officer shall be final.

(4) The applicant shall unless he refuses to accept the re-transfer, deposit within 30 days, 25 per cent of the consideration of the retransfer. The remaining 75 per cent of the said consideration shall be paid in three annual equated instalments alongwith interest at the rate of 7 per cent per annum. The first instalment shall become payable after one year from the date of retransfer. In case any instalment is not paid by the applicant by the due date it shall be deemed as if no retransfer had come into effect.

(5) No application under sub-rule (1) shall be entertained unless it is presented within six months of the date of appeal/revision as the case may be. Provided that in the case of an order of resumption passed earlier, the period of six months referred to above, shall begin to run from coming into force of this rule : Provided further that the Estate Officer may entertain an application after expiry of six..months if he is satisfied that there was good and sufficient reason for not presenting the application within the said period of six months.

12. Time Within Which Building Is To Be Erected :-

In the case of sale of site, the transferee shall complete the building within five years from the date of issue of allotment order, in accordance with the rules regulatitig the erection of buildings,

unless otherwise it is mutually agreed upon that the construction shall be completed within any period less than five years. This time limit may be extended by the Estate Officer if he is satisfied that the failure to complete the building within the said five years, or the period mutually agreed upon, was due to causes beyond the control of the transferee.

13. Registration And Stamp Duty :-

Sections 3 and 22 (.2) (a)] - The transferee shall bear and pay all expenses in respect of execution and registration of the deed of conveyance, including the stamp duty and registration fees payable therefor.

14. Fragmentation :-

Sections 3 and 22 (2) (a)] - No fragmentation of any site or building shall be permitted.

15. Prohibition Of Obnoxious Industries :-

Sections 3 and 22] - No obnoxious trade shall be permitted on or in any site or building except with the previous permission in writing of the Chief Administrator.

16. Appeal :-

Sections 10 and 22 (2) (i)]

(-1) An appeal against an order under Section 8 or Section 8-A of the Act shall be presented to the Superintendent of the Office of Chief Administrator or such other officer. as he may appoint in this behalf either by the appellant or his agent or by registered post addressed to the said officer. It shall give the date of the order appealed against, set forth concisely the grounds of appeal and be accompanied by a certified copy of the order appealed against.

(2) The memorandum of appeal shall be signed by the appellant or his agent and shall be affixed with a court fee of Rs. 1.

(3) The Chief Administrator shall thereupon fix a date for hearing the appellant or his agent.

17. Revision :-

Section 10] - The provisions of the foregoing rule shall apply mutatis mutandis to every application for revision of any order passed by the Estate Officer.

18. Form Of Notice :-

Section 22 (2) (c)] - The notice under rule 11 shall be in Form F. It may be served on an individual or a group of individuals, either personally or by post or by affixing it on a conspicuous part of the

building or site or by beat of drum.