

## **Chandigarh Estate Rules, 2007**

**[07 November 2007]**

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## **Chandigarh Estate Rules, 2007**

**[07 November 2007]**

### **1. Short title & Commencement :-**

- (i) These rules may be called the Chandigarh Estate Rules, 2007.
- (ii) These Rules shall come into force from the date of publication in the official gazette and shall apply to all allotments and/or auctions made after the said date and actions or transactions pursuant thereto and any other rules made thereunder.

### **2. Definitions :-**

The words and expressions not defined in these rules shall have the

same meaning as assigned to them in the Capital of Punjab (Development and Regulation) Act, 1952.

( i ) "Act" means the Capital of Punjab (Development and Regulation) Act, 1952.

(ii) "Consideration Money" means such amount as may be determined by the Chandigarh Administration in the case of sale/lease by allotment, and any price determined as a result of bidding in open auction in the case of sale/lease by auction.

(iii) "Displaced Person" means any person who on account of the setting up of the dominions of 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.

(iv) "Form" means a form appended to these rules.

(v) "Objectionable 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:-

- a. melting tallow, dressing raw hides, boiling bones, offal or blood;
- b. as a soap house, oil boiling house, dying house, or tannery;
- c. as a brick-field, brick-kiln, charcoal-kiln, pottery or lime-kiln;
- d. as any other manufactory, engine-house, store house or place of business from which offensive or unwholesome smells, gases, noises or smoke arise;
- e. as a yard or deposit for trade in unslaked lime, dry straw, thatching grass, weed, charcoal or coal, or other dangerously inflammable material;
- f. as a store house for any explosive, or for petroleum or any inflammable oil or spirit.

(vi) "Oustee" means a person whose land in the Union Territory of Chandigarh has been acquired for a public purpose and includes his/her legal heirs.

(vii) "Premium" means the price paid or promised for the transfer of a right to enjoy immovable property under these rules.

(viii) "Prescribed mode of payment" means payment in cash upto Rs 2,00,000/- or by demand draft drawn on any Scheduled Bank situated at Chandigarh in favour of the Estate Officer, Chandigarh Administration or by electronic transfer in the account designated by the Estate Officer, UT Chandigarh.

### **3. Sale/Lease by auction or allotment :-**

The sites/buildings at Chandigarh shall be sold by the Central Government on free hold basis or lease hold basis. For the purpose of proper planning and development of Chandigarh, the Chief Administrator may reserve sites or buildings for displaced persons, oustees, group(s) of individuals or persons practising any profession or carrying on any occupation trade or business, various bodies/Associations/Trusts/ Organizations of Religious, Charitable, Cultural or Social nature, Governments and/or Semi-Government organizations or autonomous bodies or for the implementation of any scheme framed by the Chandigarh Administration.

### **4. Allotment by Sale/ Lease :-**

(i) In case of sale/lease of any site/building by allotment, the intending purchaser shall make an application to the Estate Officer in Form A.

(ii) The Estate Officer shall, subject to such directions as may be issued by the Chief Administrator in this behalf, offer a site of the size applied for or of different size and shall intimate by registered post the number, approximate area and consideration money of the site/building and other terms and conditions of the allotment to the applicant enabling him to deposit 25% of the consideration money through demand draft, drawn on any scheduled Bank situated at Chandigarh in favour of Estate Officer U.T. Chandigarh, and call upon him/her to execute an Agreement to Sell in Form B or Form B-I, as the case may be, in respect of the offered site/building within 30 days from the date of issue of the said communication. Failure on the part of the applicant to respond to the offer shall result in cancellation of the allotment of site/building. In case, the applicant fails to execute an Agreement to Sell as per the prescribed proforma, in the stipulated period the 25% of the consideration money deposited by the applicant shall be forfeited and the applicant shall have no claim to any damages.

(iii) The remaining 75% of the consideration money shall be deposited by the intending purchaser in lump sum within 90 days of the date of the issue of the aforesaid communication by the Estate Officer by way of the prescribed mode of payment failing which the offer of allotment shall be deemed to have been cancelled and the payment made under sub-rule (ii) shall be forfeited and the intending purchaser shall have no claim to any

damages.

Provided that if last day happens to be a public holiday, the next working day shall be deemed to be the last day for such payment.

Provided further that in case of allotments to Government(s) or semi- Government(s) or its autonomous bodies/ organizations, the period for the above said payment may be extended by the Chief Administrator on a written request by the organization/Department justifying the delay to the satisfaction of the Chief Administrator, subject to payment of interest @ 12% per annum for the period of delayed payment, provided that such delay shall in no case exceed one year or 12 months in the whole.

(iv) Upon the receipt of full consideration of money, the Estate Officer shall issue allotment letter to the intending purchaser giving the terms and conditions of the allotment and calling upon him to execute a Conveyance deed / Lease deed in Form C or Form D as the case may be. These documents shall be issued/executed by the Estate Office and the purchaser, as the case may be, within a period of 30 days from the date of issue of the allotment letter.

(v) Where in exchange for a site/building previously sold/leased to an applicant, a new site/building of higher valuation is allotted to him at his request, the difference in consideration money shall be payable by him in lump sum within thirty days of the date of the issue of the communication by the Estate Office.

Provided that no request for exchange will be entertained after the physical possession of site/building has been delivered.

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

## **5. Sale/Lease by Auction :-**

i) In case of sale/lease by auction, the interested bidders will have to deposit an earnest money of Rupees two lakhs, in cash or by means of demand draft drawn on any Scheduled Bank situated at Chandigarh in favour of Estate Officer, U.T. Chandigarh with the Estate Officer, U.T. Chandigarh in order to become eligible for participating in the auction.

ii) On the acceptance of the highest bid, twenty five per cent of the bid accepted by the auctioning officer shall be paid at the fall of the hammer by the highest auction purchaser by means of demand draft drawn in favour of Estate Officer UT Chandigarh.

iii) If the auction purchaser fails to pay the amount of 25% of the auction price at the fall of hammer, the earnest money deposited under sub-rule (i) above shall be forfeited

iv) Thereafter, an Agreement to Sell shall be executed between the Estate Officer, U.T., Chandigarh and the auction purchaser in the prescribed form as at Form-B or Form B-I, as the case may be, with a stipulation that in case of default in making timely payment of the remaining balance of 75% within the stipulated time period, the amount of 25% paid by the auction purchaser shall be forfeited. Similarly in case the Chandigarh

Administration fails to fulfill its obligation to transfer/lease out the property for any reason other than the reasons connected with public order, security of State or change in public policy, the Administration shall return the amount of 25% paid by the auction purchaser alongwith the equivalent amount deposited by him/her as damages for non-performance.

v) The remaining 75% of the consideration money shall be deposited by the intending purchaser in lump sum within 90 days of the date of the auction by way of the prescribed mode of payment failing which the offer of allotment shall be deemed to have been cancelled and the payment made under sub-rule (ii) shall be forfeited and the intending purchaser shall have no claim to any damages.

Provided that if the last day happens to be a public holiday, the next working day shall be deemed to be the last day for such payment.

Provided further that in case of allotments to Government(s) or semi Government or autonomous bodies/ organizations, the period for the above said payment may be extended by the Chief Administrator on a written request by the organization/Department justifying the delay to the satisfaction of the Chief Administrator, subject to payment of interest @ 12% per annum for the period of delayed payment, provided that such delay shall in no case exceed one year or 12 months in the whole.

vi) Upon the receipt of full consideration money, the Estate Officer shall issue allotment letter to the intending purchaser giving the terms and conditions of the allotment and calling upon him to execute a Conveyance deed / Lease deed in Form C or Form D as the case may be. These documents shall be issued/executed by the Estate Office and the purchaser, as the case may be, within a period of 30 days from the date of issue of the allotment letter.

Explanation I: The Estate Officer may withdraw any site/building

that may have been put up for auction and he may accept or reject the highest bid without assigning any reason and the decision of the Estate Officer in this regard shall be final.

Explanation II: A person may be competent to bid on behalf of another person/partnership firm/company/Hindu Joint Family if he satisfies the auction officer with a proper authorization to do so before the start of the auction.

## **6. Delivery of Possession :-**

Encumbrance free possession of the site/building shall be given to the allottee/lessee/transferee within 15 days of the execution of the conveyance deed/lease deed.

Provided that no ground rent payable under the rule shall be paid by the lessee till the physical possession of the site is delivered to him/her.

## **7. Transfer of title of the site/building (Sites/Buildings allotted on concessional rates and/ or lease hold basis) :-**

(i) No site/building allotted on concessional rates and/or on lease hold basis shall be allowed to be transferred before expiry of 15 years from the date of allotment.

(ii) In the case of transfer after the expiry of ban period of 15 years by the original transferee (allottee/lessee) 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 by the original allottee/lessee 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. The current market value of the property shall be assessed in view of the average of auction price over the last three financial years for property of the same category or on the basis of such other factors as the Estate Officer considers to be appropriate. The present value of the original premium shall be calculated by enhancing the premium by 9% per annum, compounded annually, from the date (s) of payment. The difference between these two values shall be the unearned increase. During assessment, notice shall be issued to the lessee and he shall be afforded an opportunity of being heard 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 the 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 the Government shall have the preemptive right to purchase the mortgaged or charged property after deducting 1/3rd of the unearned increase as aforesaid.

(iii) Notwithstanding anything contained in this rule or in the letter of allotment or conveyance deed/lease deed, as the case may be, the addition/deletion/substitution of the name of mother, father, spouse, son and/or daughter with the permission of the Estate Officer, after the allotment of a site, shall not be construed as transfer within the meaning of sub rules (i) and (ii) above.

### **8. Time within which building is to be erected :-**

In the case of allotment/auction of site, the allottee/transferee/lessee shall complete the building, in accordance with the of Punjab Capital (Development and Regulation) Building Rules, 1952, within 3 years from the date of delivery of the possession under Rule 6. The allottee or lessee who cannot complete the building within the aforesaid time-limit may be given another opportunity to complete the building in the next five years on payment of penalty as under:-

(i) First year (beyond the said period of three years) @ 10% of the total consideration money of the site.

(ii) Second year @ 15 % of the total consideration money of the site

(iii) Third year @ 20% of the total consideration money of the site

(iv) Fourth year @ 25% of the total consideration money of the site

(v) Fifth year @ 30% of the total consideration money of the site.

No further time whatsoever shall be granted for the purpose and in case the construction of the building is not completed within the aforesaid period, the Estate Officer may initiate proceedings under Section 8-A of the Act and the allottee/transferee/lessee shall have no claim to any damages.

### **9. Use of Site or Building :-**

(i) The allottee/lessee/transferee shall not use the site or building for a purpose other than that for which it has been allotted. In the case of commercial or industrial sites/buildings, the transferee shall not carry on any trade or industry other than as permitted under any schemes or rules notified by the competent authority.

Provided that the Chief Administrator, may, in the case of residential buildings, for reasons to be recorded in writing and with the prior approval of the Administrator, Union Territory, Chandigarh, allow any building or portion thereof to be used for a purpose other than that for which the site was allotted subject to such conditions as he may by order specify in this behalf.

(ii) Instead of specifying any particular trade or industry, the Estate Officer may specify that the transferee shall not carry on any trade or industry other than General Trade or Special Trade, as the case may be.

(iii) The expression General Trade and Special Trade, shall mean one or more of the trades respectively mentioned in Parts A and B of the Schedule appended to these Rules.

Provided that the competent authority may allow the conversion from one trade list to another trade list as per any Scheme notified by the Administration, subject to conditions as imposed by the competent authority.

#### **10. Procedure in case of misuse of site/ building :-**

(i) When a mis-use of a site or building under rule 9, is reported or comes to the notice of the Estate Officer then, without prejudice to any action taken under Section 8-A of the Act, a notice of period not less than 15 days shall be served on the allottee/lessee(s) and on the occupier(s) of the site or building requiring that the allottee/lessee(s) and the occupier(s) shall within a period of two months, remove the said misuse and pay monthly charges @ Rs. 500/- per sq. ft. of area under misuse, which shall be paid jointly and severally by the transferee and the occupier of the site or building for every month or part thereof the misuse occurs.

Explanation : Where it is determined by the Estate Officer that the misuse is on the part of the occupier, aforesaid charges shall be recovered from the occupier only. In case of non-payment of such charges by the occupier, the same shall be recovered as arrears of land revenue.

(ii) The Estate Officer shall, after affording an opportunity of being heard to the allottee/lessee and the occupier, determine whether or



not the mis-use has been removed. In case it has been removed, charges shall be levied from the date of issue of notice upto the date of such removal. In case it has not been removed, charges shall be levied from the date of issue of notice upto the date of such removal.

(iii) If after the expiry of two months from the notice under sub-rule (i), the Estate Officer is satisfied, after having afforded an opportunity of being heard to the allottee/lessee(s) and the occupier(s), that the mis-use continues, then the Estate Officer may proceed under Section 8-A of the Act.

(iv) If the mis-use occurs on the part of the occupier, or if it cannot be removed unless certain acts are done by the occupier, the Estate Officer may extend the period for such removal beyond two months, upto a period of six months provided that the occupier shall be liable to pay the charges specified in sub rule (i). If at the end of this period, the Estate Officer is satisfied that the misuse is not removed, he shall proceed in accordance with sub-rule (iii) above.

(v) If the misuse of the site/building is established by the competent authority, the misuse charges as specified in sub-rule (i) above, shall be payable within 15 days of such order. For any delay in payment, interest shall be charged at one and a half percent for each month of delay or part thereof. If the misuse continues, the misuse charges shall be payable even beyond the period mentioned in sub-rule (iii) or (iv) above.

### **11. Commencement and period of lease :-**

In case of auction / allotment by way of lease, the lease period shall commence from the date of the execution of the lease deed and shall be for a period of 33 years, renewable for two like periods of 33 years each subject to the condition that the lessee continues to abide by all the conditions of lease at the time of such extension and during the extended period. After the expiry of the period of 99 years including two renewals mentioned above, the lease may, at the discretion of the Administration, be renewed for such further period and on such terms and conditions as the Administration may so decide.

### **12. Payment of Annual Ground Rent and consequences of nonpayment :-**

In addition to the consideration money, whether in respect of site

or building, the lessee shall be liable to pay Annual Ground Rent as under:-

(i) Annual Ground Rent shall be 2.5% of the premium for the first 33 years, 3.75 % of the premium for the next 33 years and 5% of the premium for the remaining 33 years period of the lease.

(ii) Annual Ground Rent shall be payable annually without any demand from the Estate Officer on the 10th day of the month following the month in which the rent becomes payable according to the English calendar.

(iii) If the Annual Ground Rent is not paid by the due date, the lessee shall be liable to pay a penalty not exceeding 100% of the amount due which may be imposed and recovered in the manner laid down in Section 8 of the Capital of Punjab (Development and Regulation) Act, 1952.

### **13. General Conditions of allotment :-**

(i) Allotment may be jointly taken by more than one person. The liability to pay the premium as well as the rent and any penalty imposed under these rules shall be joint and several.

Provided that nothing contained in this sub rule and Clause II of the lease deed as appended as Form D of these rules, shall apply to the allotment of any site or building to the Chandigarh Housing Board.

(iii) Notwithstanding anything stated above, the provision of sub-rule (i) and clause II in Form D of the said rules shall apply mutatis mutandis to the sub allottee/sub lessees/transferees of the Board.

(iii) The allottee/lessee shall be liable to pay any or all such fee(s) or tax(es) as may be levied by the Central Government, Chandigarh Administration or Municipal Corporation, Chandigarh in respect of sites or buildings or both under any law.

Provided that in the case of allotment of site or building to the Chandigarh Housing Board, the liability to pay all such fee(s) or tax(es) shall be that of the sub allottee or sub lessee of the Board.

(iv) The allotment shall be governed by the provisions of the Capital of Punjab (Development and Regulation) Act, 1952 as amended from time to time and the rules made thereunder.

(v) The lessee/transferee shall not be allowed to place empty packing cases, baskets, or junk or any other material on the roof of the building or in the open site around it.

(vi) The covered passage (verandah) in front of or on the sides of the building shall not be encroached upon or used for any purpose

other than as a public passage.

(vii) The right of displaying advertisement on and the use of end walls of the end sites and the benefits derived therefrom shall vest in the Administration.

(viii) The lessee/transferee shall maintain the site/building in safe and hygienic condition.

(ix) The Government shall not be responsible for leveling the uneven sites or for filling in sites which are at lower level than the other sites.

(x) The Estate Officer shall be entitled at all convenient times to enter and inspect the site or building with a view to ensuring that no provision of the Capital of Punjab (Development and Regulation) Act, 1952 or the rules made thereunder including these rules, is being violated. The Estate Officer may authorize any person subordinate to him to carry out the aforesaid inspection.

(xi) The Administrator, Union Territory, Chandigarh may in his discretion prescribe such further conditions of allotment as may be consistent with the provisions of the Capital of Punjab (Development and Regulation) Act, 1952, as amended from time to time, in the letter of allotment and lease deed /conveyance deed either generally or under any particular scheme.

#### **14. Breach of terms and condition of allotment :-**

(i) Notwithstanding anything contained in these rules, the Estate Officer may, by notice in writing, cancel the allotment and forfeit 10% of the consideration money paid in addition to the recoverable dues, if any, in respect of any site or building, on the ground of default, breach or non-compliance of any of the terms and conditions of allotment or for furnishing in writing incorrect information under explanation II of rule 5.

Provided that no order regarding cancellation of lease/allotment/forfeiture under this rule shall be made unless the lessee/transferee has been given a reasonable opportunity of being heard.

(ii) In the event of the allotment/lease deed/conveyance deed of site/building being cancelled, the transferee/ lessee shall remove the structure at his own expense within such reasonable time, not exceeding three months, as may be prescribed by the Estate Officer, and restore possession of the site/building in the condition in which he took the same at the commencement of the allotment. If the allottee/transferee/lessee fails to remove the structure within the period mentioned above, the Estate Officer shall be competent

to remove the same and recover the expenses incurred in doing so from the person whose lease had been cancelled or auction/allot the site along with the structure and after deducting the market value of the site refund the balance to the lessee. The Estate Officer shall determine the market value and his decision shall, subject to a right of appeal, be final and binding.

**15. Registration and Stamp Duty :-**

The transferee/lessee shall bear and pay all expenses in respect of execution and registration of the deed of conveyance or lease deed, as the case may be, including the stamp duty and registration fees payable in accordance with the law in force at that time.

**16. Fragmentation/Amalgamation :-**

No fragmentation or amalgamation of any site or building shall be permitted.

Provided that amalgamation of two or more adjoining sites shall be permissible only in the case of commercial or industrial sites subject to the condition that the revised plans are approved by the competent authority, prior thereto.

Provided further that fragmentation of any site shall be allowed if such fragmentation is permitted under any scheme notified by the Administration.

**17. Prohibition of Objectionable Trade :-**

No objectionable trade shall be permitted on or in any site or building except with the previous permission in writing of the Chief Administrator

**18. Appeal and Revision :-**

(i) Any person feeling aggrieved by an order of the Estate Officer or of any competent authority made under these rules, may within 30 days of the date of communication of such order, prefer an appeal to the Chief Administrator in such form and manner as may be prescribed.

Provided that the Chief Administrator may entertain the appeal after the expiry of the said period of thirty days, if he is satisfied that the appellant was prevented by sufficient cause from filing the appeal in time.

(ii) The Chief Administrator may, after hearing the appeal, confirm,

vary or reverse the order so appealed and may pass such orders as he deems fit.

(iii) The Chief Administrator may, either of his own motion or on an application received in this behalf, at any time call for the record of any proceeding in which the Estate Officer has passed an order for the purpose of satisfying himself as to the legality or propriety of such order and may pass such order in relation thereto as he thinks fit.

Provided that the Chief Administrator shall not pass any order under this rule prejudicial to any person without giving him a reasonable opportunity of being heard.

(iv) Where a person is aggrieved by any order of the Chief Administrator under these rules, he may, within thirty days of the date of communication of such order, make an application in writing to the Advisor to the Administrator, Union Territory, Chandigarh for revision against the said order and the Advisor to the Administrator, Union Territory, Chandigarh may confirm, alter or rescind the decision of the Chief Administrator.

Provided that the Adviser to the Administrator may entertain the application after the expiry of the said period of thirty days, if he is satisfied that the applicant was prevented by sufficient cause from filing the application in time.

Provided further that the Adviser to the Administrator shall not pass any order under this rule prejudicial to any person without giving him a reasonable opportunity of being heard.

## **19. Power to Relax :-**

The Administrator, Union Territory, Chandigarh, may relax all or any provisions of these rules for reasons to be recorded in writing, in public interest and in exceptional circumstances.

## **20. Repeal & Savings :-**

i) The Chandigarh (Sale of Sites and Buildings) Rules 1960 and The Chandigarh Leasehold of Sites & Buildings Rules, 1973 are hereby repealed.

ii) Notwithstanding such repeal, anything done or any action taken or purported to have been done or taken including any notification, order or notice made or issued or any permission, authorization or exemption granted or any document or instrument executed or any direction given under the repealed Rules shall, in so far as it is not inconsistent with the provisions of these rules, be deemed to have

been done or taken under the corresponding provisions of these rules.