

HARYANA SHEHRI VIKAS PRADHIKARAN, SECTOR-6, PANCHKULA.

No. HSVP-Adm.(HQ)-2018/ 92022-23

Dated: 07-05-2018

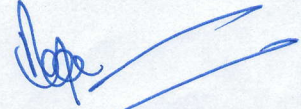
To

All the Zonal Administrator,
HSVP, Hisar/Faridabad/Gurugram/Rohtak/Panchkula.

All the Estate Officers,
HSVP.

Subject: " One Time Settlement Scheme (OTSS)" in respect of recovery of additional price on account of enhancement from the HUDA allottees- Regulation 2(b) read with Regulation 10 of the Haryana Urban Development (Disposal of land & Building Regulation 1978).

Please find enclosed the details of " One Time Settlement Scheme (OTSS)" notified by the Govt. on 4.5.2018. You are requested to give wide publicity to the scheme by holding meetings with the RWAs and allottees.



**Administrator (HQ)
Haryana Shehri Vikas Pradhikaran,
Panchkula.**

Subject: " One Time Settlement Scheme (OTSS)" in respect of recovery of additional price on account of enhancement from the HUDA allottees- Regulation 2(b) read with Regulation 10 of the Haryana Urban Development (Disposal of land & Building Regulation 1978).

- 1.1 The landowners whose land is acquired under the Land Acquisition Act, have a statutory right to file references under Section 18 of the Act seeking higher compensations compared to what has been determined by the Land Acquisition Collector. Notwithstanding the Government Policy of minimum floor rates, scheme of Annuity payments and the R & R Policy, the amount of compensation is often enhanced by the Courts of competent jurisdiction. Finality in this behalf is a long drawn process. As such, the pricing of plots at the initial stage does not take into account any component of enhancement allowed by the Courts subsequently.
- 1.2 It is for this reason that the enhanced cost of the Land announced subsequently by the competent Courts is being recovered proportionately from the allottees separately under Regulation 10 of the Haryana Urban Development (Disposal of land and Building) Regulations, 1978 (hereinafter referred as "Regulations") by issuing demand of additional price on account of enhanced compensation from allottees in case of sale or lease of land or building by allotment.
- 1.3 A policy regarding calculation of additional price on account of enhanced compensation from allottees in case of sale or lease of land or building by allotment has been approved by the HUDA Authority in the 111th meeting held on 27.07.2016 vide Agenda item No.22.
- 1.4 The main features of the policy dated 27.07.2016 stipulating the manner of calculations of additional price are as under:-
 - (i) Once the enhancement has been announced by the Court, the additional price shall be determined **on liability basis without any condition whether payment of enhancement has been actually made or not.**
 - (ii) The differential amount of enhancement shall be **updated @ 15% p.a. upto the quarter in which determination is being made.**
 - (iii) The approved layout in existence at the time of calculation of additional price, shall be taken as the basis while determining the

additional price.

- (iv) The differential enhancement shall be proportionately off loaded on the total saleable area of the sector (sold both by allotment or auction). This automatically implies that common (non-saleable) area shall also be proportionately off loaded on the total saleable area of the sector.

- 2. The representatives of various RWAs usually make submissions and contest the calculations of additional price on various grounds. Also as the layout of the sector is dynamic and it goes on changing with time, the allottees continuously go on disputing the layout.

Litigation pertaining to determination of additional price

- 3.1 The net result is that the additional price determined by the CA, HUDA under Regulation 2 (b) is continuously disputed on one ground or the other by filing Court cases before competent court of law.
- 3.2 It has also been observed that usually the High Courts are remanding the matter back to HSVP to pass speaking orders by treating the grounds in CWP as the representation and after giving hearing to the petitioners. Such litigation has become never ending as allottees again approach High Court against the speaking orders passed by the HSVP.
- 3.3 As the additional price determined is applicable for the full sector, any re-determination of the same leads to readjustment in the amount to be recovered from each allottee of the sector. The net result is that there is no finalization of the issue.

Liquidity crunch in HSVP

- 4. Due to large number of awards announced during 2016 and 2017 and a number of enhancements in the land compensations awarded by the courts, HSVP is passing through a phase of liquidity crunch and currently HSVP is borrowing loans from the scheduled banks. The total cost on this loan is approximately @ 10% (bank interest @8% approx. plus 2% fees for State Govt. Guarantee).

Current proposal to reduce litigation and to ensure speedy recovery of additional price from the HSVP allottees

- 5.1 It is felt that if a " **One Time Settlement Scheme (OTSS)**" is launched where under the allottee is encouraged to readily pay pending dues on account of

additional price, this will help to generate revenue for HSVP and it will save interest @8% approx. which otherwise it is required to pay to the scheduled banks in respect of the loan availed plus cost @2% which HSVP is paying to State Government in lieu of the State Guarantee extended in respect of loans granted by banks to HSVP. The total saving in the interest will be to the tune of @10% approx.

5.2 The "**One Time Settlement Scheme (OTSS)**" will aim to reduce litigation and to ensure speedy recovery of the pending dues on account of the additional price. The time and cost saved by reducing litigation as well as revenue generated by recovery of pending dues and interest saved on loans from scheduled banks, will be fruitfully utilised by HSVP for expeditious development of Urban Estates as per the statement of objective and reasons for establishment of HSVP, as stated at the time of enactment of HUDA Act, 1977.

6. During the meeting held on 4.5.2018 with RWAs, after a lot of discussions with aim to reduce litigation and to ensure speedy recovery of the pending dues on account of the additional price, a "**One Time Settlement Scheme (OTSS)**" has been announced by the Hon'ble C.M., Haryana-cum-Chairman, HSVP.

7. **Salient features of "One Time Settlement Scheme (OTSS)"** are as below:-

(i) *The scheme shall be open only for a period of two months from the date of launch i.e.15.05.2018.*

(ii) *The scheme shall be applicable in respect of full amount shown pending in the PPM account of the plot due towards additional price as well as delayed interest payable there upon up to the date of acceptance of scheme by the allottee.*

(iii) *To clarify, after issuance of demand notice, delay interest @ 15% p.a. is charged under Regulation 10 (2) of Haryana Urban (Disposal of Land & Building) Regulation, 1978 if the amount is not deposited within 30 days of issuance of demand. This settlement scheme shall give rebate on the delayed interest also.*

(iv) *Rebate of 40% on the amount outstanding on account of additional price including the delay interest as shown pending in the PPM account of the plot shall be allowed in respect of full amount.*

(v) *The allottee shall be required to make payment of 60% of current amount shown pending in the PPM account of his plot on account of additional price as well as interest due there upon, as on the date of the payment.*

(vi) The allottee shall withdraw the litigation initiated by him individually or through RWA etc assailing the demand of additional price by the HSVP, if any pending before any Court. By acceptance of this scheme, the allottee will be deemed to have consented to settle the litigation in this regard. The allottee shall have to submit an undertaking to the effect that he/she will withdraw such pending litigation and shall not file any litigation in future in regard to the demand of additional price of his plot, amount/interest paid etc. in respect of the pending amount which is settled under this scheme.

(vii) If prescribed full payment is made under this scheme, it shall lead to full and final settlement of current pending amount in the PPM account due to additional price as well as interest payable there upon.

(viii) The settlement under the scheme shall be granted to the allottee only if the amount is credited to the HSVP account before the closure of the scheme.

(ix) This is a "One Time Settlement Scheme". It shall not be extended even by a day after the expiry of the period mentioned at Sr. No. (i) above.

