



AUCTION
OF
COMMERCIAL SITE
On FREEHOLD basis
Near INTERNATIONAL AIRPORT
AT
AMRITSAR

STANDARD TERMS AND CONDITIONS
&
DRAFT ALLOTMENT LETTER

Punjab Infrastructure Development Board (PIDB)

SCO 89-90, Sector 34 A, Chandigarh - 160022

Ph: 0172 - 2665410, 2665614, 2665417

Fax: 0172 – 2665596

www.pidb.org

CONTENTS

I. Standard Terms and Conditions for the auction of properties by PIDB, under the Optimum Utilisation of Vacant Government Lands (OUVGL) Scheme	3-9
1. General Conditions	3-7
2. Terms of Payment	7-8
3. Possession & Construction	8-9
II. Draft Allotment Letter	10-12
Annexure 1	13

PUNJAB INFRASTRUCTURE DEVELOPMENT BOARD (PIDB)

STANDARD TERMS & CONDITIONS FOR THE AUCTION OF PROPERTIES BY PIDB UNDER THE OPTIMUM UTILISATION OF VACANT GOVERNMENT LANDS (OUVGL) SCHEME

1. General:

- (a) The auction/ allotment of the property/ site is being done by PIDB in pursuance of clauses (i),(iii),(vi) and (vii) of Sub-Section (4) of Section 20 of the Punjab Infrastructure (Development & Regulation Act), 2002.
- (b) The successful bidder/ Allottee shall be deemed to be a “Concessionaire” within the meaning of Sub-Section (8) of Section 2 of the Punjab Infrastructure (Development & Regulation Act), 2002.
- (c) Bid lower than the reserve price shall not be accepted. No bidder whose bid is accepted shall be permitted to withdraw or surrender his bid on any ground whatsoever and in case he does so, his Eligibility Fee and any other amount(s) paid by him shall stand forfeited in favour of PIDB subject to the maximum extent of 10% of the quoted bid amount.
- (d) PIDB reserves the right to either accept or reject the highest bid or to withdraw the site/ property from auction without assigning any reason, even if the bid is higher than the reserve price. In case the highest bid is not accepted, the Eligibility Fee shall be refunded in full. However, in case the highest bid is rejected on account of fraud or misrepresentation or any other corrupt practice having involvement of the bidder, the Eligibility Fee shall be forfeited.
- (e) The auction and allotment of site/ property on free hold basis shall be on “as is where is” basis and PIDB or any department of the Punjab Government shall not be responsible for leveling the site.
- (f) The exact size of the site/ property and its dimensions are subject to variation as per actual measurement at the time of delivery of possession of site. In case the actual area exceeds the area offered at the time of the auction, the bidder would be required to deposit the additional cost for the excess area proportionately as per the quoted bid amount. In case the actual area is found to be less than the area offered at the time of the auction, the bidder would be required to deposit the proportionately reduced cost as per the quoted bid amount.

- (g) No fragmentation/ sub division of the site and change of land use is permitted. However, for the purpose of integrated development of the project, the successful bidder/ Allottee may combine the site/ property along with any abutting land available with it.
- (h) The successful bidder/ Allottee shall be responsible for obtaining all necessary approvals, permits and licenses for implementing the project for which the land is allotted by PIDB.
- (i) Towards incentive for early completion of construction on the project, a subsidy amount equivalent to 3% of the quoted bid amount shall be paid by PIDB to the Allottee/ Concessionaire in the event the Allottee/Concessionaire completes the construction and obtains a building completion certificate from the competent authorities of the concerned regulatory authority (such as PUDA, MC etc.) and a Compliance Certificate based thereon from PIDB within a period of 36 months from the date of taking over the possession of the land/ property.
- (j) The Allottee/ Concessionaire shall plan, design, develop, establish, finance, construct, implement, manage, operate and maintain the facilities developed as part of the project either on its own or through its sub-contractors, associates, subsidiaries or joint ventures.
- (k) The land/ property auctioned by PIDB as well as the facilities subsequently developed thereon shall ordinarily be owned by the Allottee/ Concessionaire in its own name. However, at any stage prior to payment of the entire bid amount to PIDB and subject to receipt of a Transfer Fee equivalent to ½ percent of the quoted bid amount and furnishing such documents as are required by PIDB, PIDB may allow the transfer of the land/ property in the name of any third party by issuance of as Re-allotment Letter and in such case the third party/ Re-allottee shall be deemed to be the Concessionaire. The transfer would only be allowed provided the third party/ proposed Re-allottee unconditionally agrees abide by all the terms & conditions earlier accepted and agreed to by the successful bidder/ initial Allottee. However, the maximum number of transfers shall be restricted to three.
- (l) The site/ property shall continue to vest in PIDB until the entire consideration/ bid amount together with interest or any other amount due, is fully paid to PIDB. During such period, the successful bidder/ Allottee shall not create any third party rights over the land through sale, mortgage, lien or encumbrance in any other

form without obtaining the prior written consent of PIDB. In the event, the Allottee intends to mortgage the land/ property to any financial institution for the purpose of raising loan, prior Permission to Mortgage (PTM) shall be obtained in writing from PIDB.

- (m) Within three months from the date of accomplishing the payment of the entire consideration/ bid amount together with interest or any other amount due to PIDB, the Allottee shall have to execute a Deed of Conveyance in the prescribed format and manner as may be directed by PIDB. The Allottee shall be liable for the payment of all taxes, stamp duty, cess, charges and other statutory dues in respect of the site/ property including any property tax demand as per applicable laws etc. Further, any pending tax liability shall be recovered by PIDB from the successful bidder/ Allottee either by adjustment against any amounts refundable by PIDB or otherwise, even if the site/ property has been resumed by the PIDB in accordance with these terms and conditions on account of the successful bidder/ Allottee failing to make timely payments to PIDB.
- (n) The Allottee shall bear and pay all expenses in respect of execution and registration of the Deed of Conveyance including the stamp duty and registration fee payable in accordance with the law in force at the time of the execution and registration.
- (o) The Allottee shall be responsible for implementing the environment and safety norms as per the applicable laws and shall take reasonable measures to prevent the destruction, scarring and defacement of the natural surroundings and environment around the project site. The Allottee shall ensure compliance with all applicable labour laws, health & safety laws and any other statutory or regulatory requirements, as may be applicable for implementation of the project. PIDB shall not be liable in this regard in any manner whatsoever either towards the Allottee, towards any regulatory authority or towards any third party.
- (p) The expenditure for water supply connection from peripheral water supply, electric supply connection (bulk supply from one point), discharge of sewerage to public sewerage system, discharge of storm water into public storm water system (if planned and built in the area) shall be borne by the Allottee.
- (q) PIDB shall have full rights, powers and authority at all times to do through its officers and representatives, all acts and things which may be considered necessary and expedient for the purpose of enforcing the terms, conditions and reservations imposed and to recover from the Allottee as first charge upon the

said site, the cost of doing all or any such act and things and all costs incurred in connection therewith or in any way relating therewith.

- (r) The display of any advertisement on the walls of the site or at the site or on the structures erected thereon in whatsoever manner shall be subject to the orders and other instructions as may be issued by the competent regulatory authorities from time to time.

- (s) PIDB shall be entitled to reject the bid and/ or cancel the Allotment Letter and resume the site/ property at any stage prior to the execution of the Deed of Conveyance in the event the successful bidder/ Allottee indulges in :
 - i) Breach of any of the terms & conditions contained herein or in the Allotment Letter.
 - ii) Creation of any third party rights over the land/ property through sale, mortgage, lien or encumbrance in any other form either without obtaining the prior written consent of PIDB or in violation of the terms & conditions imposed by PIDB through the consent letter or the Allotment Letter.
 - iii) Default contemplated in clause 2(e) hereof.

In the event PIDB takes action as aforesaid, the entire amount (including Eligibility Fee and further payments/ installments, as the case may be) already paid by the Allottee shall be forfeited by PIDB subject to the maximum extent of 10 percent of the total cost of the property based on the bid amount. The Allottee shall be notified by PIDB in writing about the rejection of its bid and/ or cancellation of the Allotment Letter. In such a situation, besides the underlying land, any building constructed over the property/ land shall also be deemed to have become the assets of PIDB. A copy of the Notice regarding cancellation of the Allotment Letter shall be endorsed by PIDB to the competent authority with the request to initiate proceedings under appropriate laws including but not limited to the Public Premises Act, 1971 for evicting all the unauthorized occupants of the property.

- (t) In case of any dispute or difference arising out of the auction, the terms & conditions of auction or that of the Allotment Letter or any subject matter hereof, the same shall be settled through arbitration proceedings to be conducted in accordance with the provisions of the Arbitration & Conciliation Act, 1996 as amended from time to time. The Allottee and PIDB shall nominate one arbitrator each. The said two arbitrators shall jointly appoint the third arbitrator. The arbitration proceedings shall be conducted in English language and the venue for the same shall be in Chandigarh. The award of the arbitral tribunal shall be final and binding on all the parties. The courts at Chandigarh alone shall have the

exclusive jurisdiction to entertain any application, petition etc. pertaining to the auction, the terms & conditions of the auction or that of the Allotment Letter or any subject matter hereof.

2. Terms of Payment:

- a. PIDB shall not accept any payment by cheque.
- b. The bidders shall submit Eligibility Fee in the form of Cash or Demand Draft payable at Chandigarh in favour of “The Managing Director, PIDB”. The amount of the Eligibility Fee shall be such amount as is approved by the Managing Director for the auction of specific properties. However, the same shall not be less than ½ percent and not more than 5 percent of Reserve Price fixed in respect of the property to be auctioned. The Eligibility Fee shall be refunded to the unsuccessful bidders within 30 days from the date of issuance of the Letter of Allotment to the successful bidder. No interest shall be paid by PIDB on the amount of the Eligibility Fee. The Eligibility Fee of the successful bidder shall be adjusted against 10% cost of the property payable by the successful bidder at the fall of the hammer and based on its quoted bid amount. In case the successful bidder fails to pay the balance amount towards 10% cost of the property at the fall of the hammer, the Eligibility Fee shall stand forfeited in favour of PIDB and no amount shall be refunded.
- c. I At the fall of the hammer, the successful bidder will be required to deposit 10% of the cost of the property based on its bid amount either in Cash or through a Demand Draft payable at Chandigarh in favour of “The Managing Director, PIDB”. The successful bidder shall be required to deposit with PIDB, another 15% of the bid amount within 30 days from the date of the auction. In case of failure of the successful bidder to deposit 15% of its bid amount within 30 days from the date of auction, the bid of the successful bidder shall be rejected by PIDB and the amount equivalent to 10% of the cost of the property deposited earlier shall be forfeited. Within 15 days from the date of depositing the 15% amount by the successful bidder, PIDB shall issue an Allotment Letter to the successful bidder.
- d. The balance 75% of the cost of the property based on its bid amount shall be payable by the successful bidder/ Allottee to PIDB in six equal half yearly installments within a period of 3 years (to be reckoned from the 30th day from the date of auction) along with interest @ 12% per annum. In case any of the six installments is not paid to PIDB on or before the due date, penal interest @ 16% per annum will be payable on the outstanding amount from the due date of installment till the date of actual payment of the outstanding amount, which in any case shall not be later than 12 months from the date on which the installment was due as per the initial payment schedule specified in the Allotment Letter. The decision of PIDB with regard to calculations in respect of the interest amount and

- the penal interest amount payable by the successful bidder/ Allottee on the basis of the aforesaid provision/ rates shall be final and binding on the successful bidder/ Allottee and the successful bidder shall not be entitled to dispute the calculations carried out by PIDB under any circumstances. The balance 75% of the cost of the property based on its bid amount can also be paid by the successful bidder/ Allottee in one installment within 90 days from the date of auction and in that case no interest shall be payable on that amount.
- e. In case of failure on the part of the Allottee to deposit any money or installment within a period of 12 months from the date on which the installment was due as per the initial payment schedule specified in the Allotment Letter, the entire amount (including Eligibility Fee and further payments/ installments, as the case may be) already paid by the Allottee shall be forfeited by PIDB subject to the maximum extent of 10 percent of the total cost of the property based on the bid amount. The Allottee shall be notified by PIDB in writing about the cancellation of the Allotment Letter. In such a situation, besides the underlying land, any building constructed over the property/ land shall also be deemed to have become the assets of PIDB. A copy of the Notice regarding cancellation of the Allotment Letter shall be endorsed by PIDB to the competent authority with the request to initiate proceedings under appropriate laws including but not limited to the Public Premises Act, 1971 for evicting all the unauthorized occupants of the property.
 - f. Each installment shall be remitted to PIDB and every such remittance shall be accompanied by a Letter mentioning the full particulars of the site/ property in respect of which the payment pertains. In the absence of such particulars, it shall be deemed that the amount remitted has not been received.

3. Possession & Construction:

- (a) The Allottee shall be offered the possession of the site by way of issuance of a Possession Offer Letter by PIDB within 90 days from the date of issuance of the Allotment Letter by PIDB. In case the Allottee fails to take possession of the site within the time period stipulated in the Possession Offer Letter, it shall be deemed to have been handed over to the Allottee on the date of expiry of the time period stipulated in the Possession Offer Letter.
- (b) The Allottee shall be allowed to undertake construction after the possession of the site is obtained, subject to the following :
 - i. The Allottee getting the building plans sanctioned from the competent authorities of the concerned regulatory authority (such as PUDA, MC etc.) for the construction of building specifically for the project for which the land/ property is allotted by PIDB.

- ii. The Allottee obtaining any other approvals which may be required to be obtained from the competent authorities of the concerned departments as per applicable laws for commencing and/ or carrying out construction at the site for the project for which the land/ property is allotted by PIDB.
- iii. The Allottee shall at all times comply with the stipulation regarding use of the site/ property for the specific project/ purpose for which it is auctioned by PIDB as well as with the regulations governing the use of the site/ property and building construction thereon including applicable zoning regulations.

PUNJAB INFRASTRUCTURE DEVELOPMENT BOARD (PIDB)

ALLOTMENT LETTER

No.....

Date:.....

To

Subject: Allotment by auction held at Circuit House, Amritsar, on 05/03/ 2008 of the plot measuring 5.0 Acres (Plot No: A), located on Ajnala Road, in front of Amritsar Central Jail, Amritsar for the development of Commercial Site

Ref. No. _____

1. With reference to your bid given in the auction held on 05/03/2008 for the allotment of plot described hereunder, Punjab Infrastructure Development Board (PIDB) agrees to the allotment of the said plot to you on the following terms & conditions:

Plot/ Location	Plot No.	Dimensions (in ft)	Area (in acres)	Auction Price (Rs.)
In front of Amritsar Central Jail, Amritsar.	A	As per enclosed Annexure 1	5.0	

2. The allotment of plot shall be governed by the provisions of this Allotment Letter as well as by the provisions of the “Standard Terms & Conditions for Auction of Properties by PIDB under the OUVGL Scheme”. The “Standard Terms & Conditions for Auction of Properties by PIDB under the OUVGL Scheme” shall at all times be read as a part and parcel of this Allotment Letter. For the purposes of interpretation, the clauses of this Allotment Letter shall have an over-riding effect over the clauses of the “Standard Terms & Conditions for Auction of Properties by PIDB under the OUVGL Scheme”.

3. PIDB has received an amount of Rs. _____ (Rupees _____) towards 25% of the quoted bid amount from the Allottee in the following manner :

i.	10% of the of the quoted bid amount	Cash/ Demand Draft no. _____ dt. _____	Rs. _____
ii.	15% of the of the quoted bid amount	Demand Draft/ no. _____ dt. _____	Rs. _____

4. The balance 75% of the cost of the property based on its bid amount shall be payable by the successful bidder/ Allottee to PIDB in six equal half yearly installments within a period of 3 years (to be reckoned from the 30th day from the date of auction) along with interest @ 12% per annum, as per the following Payment Schedule.

Installment	Due date	Amount of Installment	Interest	Total amount Payable
1 st				
2 nd				
3 rd				
4 th				
5 th				
6 th				
Total		-----		-----

5. Each installment shall be remitted before the due date to PIDB, Chandigarh by means of a demand draft in favour of “Punjab Infrastructure Development Board”, drawn on any scheduled bank at Chandigarh. Each such remittance shall be accompanied by a letter mentioning therein the Reference Number of PIDB, as mentioned above. In the absence of the Reference Number, the amount remitted shall not be deemed to have been received.
6. No separate notice will be issued for payment of the half yearly installments.

7. Benefit of interest shall be allowed in case of part payment or in case of advance payment of any installment(s). The decision of the Executive Committee of PIDB with regard to the manner of determining the extent of benefit of interest shall be final and binding on the Allottee.

8. PIDB shall have full rights, powers and authority at all times to do through its officers and representatives, all acts and things which may be considered necessary and expedient by PIDB for the purpose of enforcing the provisions of this Allotment Letter including the provisions of the “Standard Terms & Conditions for Auction of Properties by PIDB under the OUVGL Scheme” and other reservations imposed, if any, in respect of the plot hereby allotted and to recover from the Allottee (and also from Re-Allottee, if any), as first charge upon the said plot/ site, the cost of doing all or any such act and things and all costs incurred in connection therewith or in any way related thereto.

9. Special conditions applicable in respect of the allotted plot/ site described in clause 1 above :
 - i. Not Applicable

**Managing Director
PIDB**

