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Government of Jharkhand
Urban Development & Housing Department
Project Bhawan, Dhurwa, Ranchi

RESOLUTION

Jharkhand Smart Cities land and other fixed assets (Utilisation, Allotment and Disposal) Rules, 2018

In exercise of powers conferred under sections 590 of Jharkhand Municipal Act, 2011 (Act 07 of 2012), the State Government of Jharkhand, hereby makes the following rules to carry out the purposes of the said Act.

CHAPTER I: GENERAL

1. Preamble

Whereas, the Government of Jharkhand has, in association with the Government of India, decided to engage in the development of the capital city of Ranchi under the Smart Cities Mission (“the Mission”), a scheme sponsored by the Government of India for promoting sustainable urban development, utilising information services and technology to achieve its objectives;

And whereas, the proposed development of the city of Ranchi entails the specific development of a parcel of land, hereinafter referred to as “Area Based Development (ABD)”;

And further whereas, the Government of Jharkhand, in line with the specific stipulations set forth by the Government of India has constituted a Special Purpose Vehicle (SPV), namely the Ranchi Smart City Corporation Limited (“RSCCL”) for implementing the projects and other initiatives set forth under the Mission;

And further whereas, the Government of Jharkhand has, vide its resolution **SUDA/SCM/SPV_RSCCL-13/2016-4552** dated **17-08-2016**, assigned the power(s) vested with the Municipal Corporation of Ranchi (“the Municipal Corporation”) to RSCCL with regards to discharging the obligations towards implementing the projects and other initiatives set forth under the Mission;

And whereas, these rules have been adequately scrutinised by the public in line with the provisions of section 590 of the Jharkhand Municipal Act, 2011 and approved by the Government of Jharkhand;

Now, in view of these presents; these rules are prepared under section 590 and in pursuance to the provisions of section 11 of the Jharkhand Municipal Act, 2011 with respect to utilisation,

allotment and disposal of land and other fixed assets vested by the Government of Jharkhand to RSCCL.

2. Short Title, Objectives, Extent & Commencement

- 2.1. These rules shall be called as Jharkhand Smart Cities land and other fixed assets (Utilisation, Allotment and Disposal) Rules, 2018.
- 2.2. These rules shall ensure that:
 - 2.2.1 Land governed by these rules is optimally utilised for the purposes incidental to or directly responsible for meeting the objectives of the Mission;
 - 2.2.2 Considerations levied and received for use of such land(s) and/or buildings are commensurate with fair value, and still not impede the conduct or viability of businesses;
 - 2.2.3 Stipulation(s) covered under any other Laws and Acts prevalent and applicable to RSCCL are adequately complied with;
 - 2.2.4 The utilisation of land adheres to the principles of environmental sustainability;
- 2.3. These rules shall govern the allocation, utilisation and disposal of land and other fixed assets such as buildings for the purposes of implementing the projects and other initiatives set forth under the Mission. It shall apply to all land(s) and/or fixed assets placed at the disposal of RSCCL.
- 2.4. It shall come into effect on the date as notified in the official gazette of the State of Jharkhand and shall supersede all earlier Government/Board Resolutions, orders or Regulations, if any. However, actions/deeds under earlier orders/circulars/guidelines/resolutions of Government/Board shall be valid;

3. Definitions

Unless repugnant to the context, or explained by any other way, the following terms shall imply, for the purposes of these rules, as follows:

- 3.1. "Act" implies the Jharkhand Municipal Act, 2011 including all its amendments as may be notified by the Government from time to time;
- 3.2. "Agency" means a business or organization providing a particular service on behalf of another business, person, or group;
- 3.3. "Allotment" means the grant of rights of usage of any property by RSCCL to any agency, institution or any other person for any purpose(s) as may be specified by RSCCL, or as may be determined jointly between such person and RSCCL;

- 3.4. "Allottee" means a person, in whose name an allotment has been made by RSCCL, or a person, to whom the rights associated with the use of such land and/or any other fixed asset(s) for a specified purpose has been accorded by another person duly authorised to do so by RSCCL;
- 3.5. "Annual Lease Rent" means the consideration levied by RSCCL from an allottee for the rights associated with the use of such land and/or any other fixed asset(s) for a specified purpose as agreed between the allottee and RSCCL, but excluding statutory levies as may be applicable under prevailing law;
- 3.6. "Apartment Ownership Act" implies the Jharkhand Apartment (Regulation & Ownership) Act, 2011 including all amendments as may be notified by the Government from time to time;
- 3.7. "Appropriate Government" means the Government of India or Government of Jharkhand, as the case maybe;
- 3.8. "Auction Committee" means the committee constituted for the purpose of setting pre-qualification criteria for applicants and conduct of auction for land and other fixed assets under these rules;
- 3.9. "Base Price" means the price determined by the panel of valuers as per Rule 9;
- 3.10. "Board" implies Board of Directors of RSCCL;
- 3.11. "Commercial use" shall imply the use of any land and/or building for purposes as defined under the Bihar Shops and Establishments Act, 1953 adapted by Government of Jharkhand vide Notification S.O. No. 2/SEA/(LC) 501/2001- L&T 2870 dated 14th November 2002
- 3.12. "Companies Act" implies the Companies Act, 1956/2013 including all its amendments as may be notified by the Government from time to time;
- 3.13. "Competent authority" means the local authority or any authority created or established under any law for the time being in force by the Government which exercises authority over land under its jurisdiction;
- 3.14. "Compoundable Offence" means an offence which can be accepted after making corrections to the terms of the lease deed and compensating RSCCL and/or the concerned public authority;
- 3.15. "External Development Works" include roads and road systems, landscaping, water supply, sewerage and drainage systems, electricity supply transformer, electric sub-stations, solid waste management system and disposal or any other work which may have to be executed by RSCCL inside a project for its benefit, as may be provided under the local laws;
- 3.16. "Freehold sale" implies the sale in which property and title is transferred to the allottee upon successful payment of full offer price immediately after allotment;

- 3.17. "Government", unless specified otherwise shall imply the Government of Jharkhand;
- 3.18. "Institution" implies any public/private school, college, university or any statutory body constituted to ensure quality education through a state/provincial/central Act, or a Society registered under the Societies Registration Act 1860, or any other corresponding law for the time being in force in a State or Trust or a Company registered under the Companies Act, 1956/2013;
- 3.19. "Institutional use" shall imply the use of any land and/or building for purposes of education, research or other such allied activities in public interest, and may include any such activity that the Government may classify as such;
- 3.20. "JBBL" refers to Jharkhand Building Bye Laws, 2016 including all its amendments as may be notified by the Government from time to time;
- 3.21. "Joint Development Agreement" implies an arrangement between RSCCL and one or more private/government/semi-government/company parties, who have agreed to jointly develop or redevelop any parcel or parcels of land for disposal by lease for various uses as designated in the Smart City Plan;
- 3.22. "LARR Act" implies the Right to Fairness and Transparency in Land Acquisition, Rehabilitation & Resettlement Act, 2013, including all its amendments as notified by the Government from time to time;
- 3.23. "Leasehold basis" implies the right to hold or use property for a fixed period of time at a given price, without transfer of ownership, on the basis of a lease contract, as indicated in Rule 14;
- 3.24. "Legal Person" means any Person, as defined in Rule 3.31, who is recognized as having legal rights and obligations and has not been barred by any court of law to enter into contracts;
- 3.25. "Market Price" shall have the same meaning as "market price" in section 26 of the LARR Act;
- 3.26. "Mixed Land Use" means use of the building/premises consisting of more than one compatible use, of which the principle use should not be less than two-thirds of total built up area;
For the purpose of these rules, principle use shall imply commercial use;
- 3.27. "Municipal Corporation" implies the Municipal Corporation of Ranchi, established under the Jharkhand Municipal Act, 2011;
- 3.28. "Non-Compoundable offence" mean an offence which cannot be corrected through a change in the lease deed and is of a nature of breach of trust;
- 3.29. "Offer Price" implies the final price payable by the allottee to RSCCL;

- 3.30. "Payment against demand letter" shall imply any consideration, which may be levied by RSCCL from any allottee for any asset where such levy has been agreed to in the terms of allotment, prior to granting possession of land and/or building(s) or such other assets to the allottee;
- 3.31. "Person" for the purpose of these rules includes, —
- (i) an Individual;
 - (ii) a Hindu Undivided Family;
 - (iii) a Company as defined under Companies Act, 1956/2013;
 - (iv) a firm under the Indian Partnership Act, 1932 or the Limited Liability Partnership Act, 2008, as the case may be;
 - (v) a competent authority;
 - (vi) an association of persons or a body of individuals whether incorporated or not;
 - (vii) a co-operative society registered under any law relating to co-operative societies;
 - (viii) any such other entity as the appropriate Government may, by notification, specify in this behalf;
- 3.32. "Promoter" or "Developer" shall have the same meaning as "promoter" as per section 2 of Real Estate (Regulation and Development) Act, 2016;
- 3.33. "Property" shall have the same meaning as the term "immovable property" as defined in section 2 of General Clauses Act, 1899;
- 3.34. "Property Tax" is the tax applied directly on the property and shall be payable to RSCCL by the property owner;
- 3.35. "RERA" implies the Real Estate (Regulation & Development) Act, 2016, including all its amendments as notified by the Government from time to time;
- 3.36. "Reserve Price" means the minimum price, below which land shall not be allotted to any allottee by RSCCL;
- 3.37. "Residential use" shall imply the use of any land and/or building for the purpose of dwelling but shall not include any hotel, guest house, lodge or such premises as may be considered as a shop or commercial establishment under Bihar Shops and Establishments Act, 1953 adapted by Government of Jharkhand vide Notification S.O. No. 2/SEA/(LC) 501/2001- L&T 2870 dated 14th November 2002;
- 3.38. "RSCCL" implies Ranchi Smart City Corporation Limited;
- 3.39. "State Officer" implies person having a judicial background and expertise in handling legal matters indicated in Rule 37.2;
- 3.40. "Utility" implies a basic service such as electricity, wastewater, water, transport, solid waste management and other such services; and

3.41. "Valuation Professional Organisation" means valuation professional associations or institutes acknowledged, either by legal decree or general consensus, as being a national professional body with rights and responsibilities for the development of the valuation profession.

CHAPTER II: OBLIGATIONS OF RSCCL PRIOR TO UTILISATION, ALLOTMENT OR DISPOSAL

4. List of plots along with use and development controls

4.1. RSCCL shall act in line with the provisions of the notified Master Plan of Ranchi Smart City, a sanctioned layout of the area based development or such other land(s) vested with it, indicating inter-alia:

4.1.1. The list of plots along with measurements and means of access to such plot;

4.1.2. The purpose(s) for which such plot(s) shall be used;

4.1.3. Development controls associated with each plot or each group of plots (if applicable), such as ground coverage, floor area ratio, setback, heights etc.

Provided that, where such stipulations are not made, the provisions of JBBL shall apply to such a plot of land.

4.2. Such a list of plots, along with the layout plan and the information as indicated above shall be made available by RSCCL for public consumption, both at its office, offices of its authorised real estate agents as well as the Internet on a site determined by the Board.

4.3. RSCCL shall assign unique plot numbers or any such means of identification to each plot, which will be used to identify the characteristics of each plot as indicated in Rule 4.1 above, and which may be used by any prospective allottee to verify the location and other particulars of such plots.

5. Demarcation of plots

5.1. RSCCL will demarcate or cause to be demarcated, through placement of suitable physical markers such as picket fences, metallic stand posts, stone boulders or any such other suitable contraption, the periphery of each unique plot. Demarcation shall follow best practices of national and international cases.

5.2. RSCCL shall also maintain, through the course of demarcation of plots, a geographical positioning database, derived out of Cartesian or polar coordinates of the outer periphery of each plot, which will be used to identify the limits and extent of any plot in case the physical feature identifying the boundary of such plot is physically damaged and/or stolen. Although this will not be required to be placed as part of the information before the public, at the time of utilisation,

allotment or disposal, this information will be used to pinpoint the specific plot(s) that is/are being subject to utilisation, allotment or disposal.

Provided that, in case of any discrepancy between the layout plan and the actual measurements of the plot as contained within the Cartesian or polar coordinates of the outer periphery of such plot, the latter shall be recorded as the correct admeasure.

5.3. RSCCL shall also maintain, for the purpose of demarcation of roads, parks, playground, amenities and other utilities, a geographical positioning database, derived out of Cartesian or polar coordinates of the outer periphery of:

5.3.1. Each plot, where the demarcation is meant to be made for a parcel of land or right of way;

5.3.2. Line of alignment, where the demarcation is meant to be made for laying of a utility line such as electricity supply, water supply, telecommunications, gas etc.

6. Recording of plots with competent authority for land records

6.1. The layout plan will essentially overlay upon existing parcels of land prevailing in the area or a new set of parcels corresponding to the plots identified and demarcated by RSCCL, who shall record with the competent authority of the Government of Jharkhand the following:

6.1.1. Details of the parcels and survey numbers on which the layout plan is imposed;

6.1.2. Details of the new plot(s) that shall be created as a result of implementation of the layout plan;

6.1.3. Readjustments, if any, to the list and maps of survey numbers shall be made by such competent authority so as to include 'khata' and sub-plot numbers to accommodate the present set of plots as per the layout. Readjustments, if any, shall be made only after prior approval of the Board.

7. Registration of project with Real Estate Regulatory Authority

7.1. Unless exempted by any order of an appropriate Government, RSCCL, for the purposes of the RERA shall be treated as a 'promoter' as per the definition of the same as contained in the RERA Act and the 'Area Based Development (ABD)' treatable as a 'real estate project' as per the provisions of the said law.

7.2. RSCCL shall submit any information required and will be fully bound under the provisions of JBBL and Jharkhand Real Estate (Regulation & Development) Rules, 2017 including all its amendments made thereafter.

CHAPTER III: VALUATION AND PRICING

8. Appointment of a panel of valuers

8.1. At the beginning of each financial year, RSCCL shall, in line with the provisions of section 247 of the Companies Act, 2013 and the Rules therein appoint a panel of registered valuers to determine the value of all properties held by it.

Provided that, the number of valuers on the panel shall not be less than three at any point of time, and not in excess of five.

8.2. A valuer empanelled by RSCCL can be retained over a period of three years in increments of one year each; and then re-empanelled after a gap of at least two years.

8.3. A valuer, who resigns from the panel or is terminated from the same by RSCCL, or is incapacitated on account of death, disability or any other reason may be replaced by another valuer, whose empanelment will continue till the time the incumbent being replaced would have continued, had his or her tenure lasted.

8.4. The panel may be assigned properties in a manner such that each property is valued by not less than 2 valuers and average of those valuations shall be taken as base price of that property.

9. Valuation report of plots, buildings and other immovable assets

9.1. The panel of valuers shall accord a value to each property based on at least the following considerations:

9.1.1. Market value of land as defined in section 26 of the Right to Fairness and Transparency in Land Acquisition, Rehabilitation & Relief Act, 2013, as notified by the Government of Jharkhand from time to time;

9.1.2. In the case of buildings and other immovable assets, in addition to land, depreciated replacement cost of such building or immovable asset;

9.1.3. Jharkhand (Minimum Valuation of Land) Rules, 2012 issued pursuant to the Jharkhand amendment to the Indian Stamp Act, 1899;

9.1.4. Cost of similar set of assets (land, building, other immovable assets or any combination thereof) based on sale or lease rates of the consolidated property of similar nature and use, either within the same vicinity or a context that is likely to attract similar category of investors;

- 9.1.5. All valuations will be performed assuming that the parcel of land is being used for residential purpose;
- 9.1.6. Cost of doing business and the amortisation cost of fixed assets (land, building, other immovable assets or any combination thereof) therein;
- 9.1.7. Restrictions and negative externalities such as environmental risks, perception issues with a proven statistical basis for influencing price;
- 9.1.8. Other matters as may be deemed appropriate by the valuer(s) in line with valuations standards methods and processes.
- 9.2. The valuation shall be performed as per the Indian Valuation Standards as and when notified by the Ministry of Corporate Affairs, Government of India;
- Provided that, till such time the Indian Valuation Standards are notified, valuation standards of the International Valuation Standards Council (“IVSC”) may be used.
- 9.3. The valuer(s) shall conduct the valuation of each asset, or where necessary, part thereof using all applicable methods of valuation, viz. residual, income based, discounted cash flow, replacement etc. or any combination thereof.
- Provided that, the number of valuers for conduct of valuation of an asset shall not be less than two at any point of time, and not in excess of three.
- Further provided that, the valuer’s report for each asset should contain a justification for using the method(s) of valuation for the entire asset or part thereof.
- 9.4. The panel of valuers shall be expected to have utilised a format of reporting in line with IVSC standards, preferably of a Valuation Professional Organisation that is a member of the IVSC or registered with the Ministry of Corporate Affairs, Government of India.
- 9.5. RSCCL shall specify a cover sheet to be provided along with the valuation report that is to be filled up by the panel of valuers for each unique property for perusal by the Board.
- 9.6. The arithmetic mean of the range of values provided by the valuers shall be deemed as the base value of the asset.

10. Asset Price Fixation

- 10.1. Where an asset is being placed for utilisation, allotment by sale or lease, the base price shall be based upon the value derived in Rule 9 above for each decimal, or one hundredth of an acre.

10.2. The base price may vary on the basis of area of land that is under consideration, as well as for the use such parcel of land is subject to. In view of the same, a factor shall be multiplied to the base price, using the following matrix:

Use category	Measurement of the land parcel					
	Up to fifty decimals	Above fifty decimals but up to one acre	Above one acre but up to two acres	Above two acres but up to five acres	Above five acres but up to ten acres	Above ten acres
Residential	1.60X	1.50X	1.35X	1.20X	1.20 X	1.20X
Commercial (small retail)	1.60 X	1.50 X				
Commercial (large retail/ commercial office space)			2.25X	2.00X	2.00X	2.00X
Institutional (small schools)	1.00X	1.00X				
Institutional (residential schools/ stand-alone colleges)			0.50X	0.50X	0.50X	0.50X
Institutional (Universities)						0.50X
Utility (water, wastewater, transport, electricity)	0.00	0.00	0.00			
Utility (others)	1.00X	1.00X				
Amenity (small recreational)	1.25X	1.50X				

Amenity (large recreational - amusement park etc.)			2.00X	2.00X	2.00X	2.00X
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Note: X is multiplication factor to the base price of asset arrived in Rule 9.

Provided that, RSCCL may put up a proposal to the Government of Jharkhand, to alter these factors on use and size taking into consideration ground conditions, market demand or such other factors as may be deemed appropriate.

Further provided that, the various uses above shall contain the uses as listed in Rule 17.1 of these rules.

And furthermore provided that, base factor rate shall be taken upto fifty decimals, and an additional factor rate for every increase in size of the plot shall be levied as per table above.

11. Valuation on the basis of additional Floor Area Ratio (FAR)

11.1. While a certain FAR will be granted by default to each plot, the ability to build above the stipulated FAR will be chargeable on the final amount of land payable by the allottee.

11.2. For every additional 1% increase in FAR, an additional loading factor of 0.75 shall be levied.

Provided that, the maximum premium FAR shall not be granted above 15% of base FAR.

Further provided that, premium FAR shall be granted only after prior approval by the Board.

Further more provided that, RSCCL may, put up a proposal to the Government of Jharkhand, to alter these factors on use and size taking into consideration ground conditions, market demand or such other factors as may be deemed appropriate.

12. Loading of costs of development of infrastructure and non-saleable area

12.1. It is estimated that around forty-five per cent of land within the area based development shall not be allotted on account of such land being placed under roads, open spaces, utilities etc. representing common interest of other allottees. The cost of such non-disposable land shall also be loaded on to the allotted plots in the manner as below:

Category	Add-on factor for non-saleable area
Residential	1.35
Commercial (small retail)	1.45
Commercial (large retail/commercial office space)	1.50
Institutional (small schools)	1.20
Institutional (residential schools/stand-alone colleges)	1.10
Institutional (Universities)	1.10
Utility (water, wastewater, transport, electricity)	0.00
Utility (others)	1.30
Amenity (small recreational)	1.45
Amenity (large recreational - Amusement park etc.)	1.50

Provided that, RSCCL may, put up a proposal to the Government of Jharkhand, to alter these factors on use and size taking into consideration ground conditions, market demand or such other factors as may be deemed appropriate.

12.2. RSCCL shall also facilitate the provision of the following as part of the site development:

12.2.1 Construction of roads & drainage system;

12.2.2. Development of water supply including (but not restricted to) (a) source development & carriage, (b) raw water intake, storage & sedimentation, (c) treatment works, (d) head works, (e) distribution system, (f) metering and actual supply;

12.2.3. Development of waste water treatment including (but not restricted to) (a) provisioning of interception chambers with every plot (b) construction of sewer lines – laterals, interceptor and outfalls, (c) head works such as pumping station(s), (d) sewage treatment plants, (e) faecal sludge drying beds and (f) outfall of treated effluent to drainage;

12.2.4. External electrification including (but not restricted to) (a) installation, testing and commissioning of electric sub-station of 220/132/33 KV capacity (b) construction of transmission line from last installation of Jharkhand Urja Sancharan Nigam Limited (c) internal high-tension distribution (d) electric sub-stations of 33/11 KV wherever required (e) street lights and other public electrical installations;

12.2.5. Landscaping of open spaces and other public area which is not part of any allotted property;

12.2.6. Such other infrastructure that RSCCL may choose to provide on a non-discretionary basis i.e. to all allottees;

12.3. All of these costs, collectively called “external development charges”, shall be worked out on a per square meter basis for built-up area, and loaded on to the lease premium payable for each plot or building, with a premium on the use as follows:

Category	Loading factor
Residential	1.10
Commercial (small retail)	1.10
Commercial (large retail/ commercial office space)	1.15
Institutional (small schools)	1.15
Institutional (residential schools/ stand-alone colleges)	1.10
Institutional (Universities)	1.10
Utility (water, wastewater, transport, electricity)	0.00
Utility (others)	1.10
Amenity (small recreational)	1.10
Amenity (large recreational - Amusement park etc.)	1.10

Provided that, RSCCL may, put up a proposal to the Government of Jharkhand, to alter these factors on use and size taking into consideration ground conditions, market demand or such other factors as may be deemed appropriate.

13. Reserve price for consideration

13.1 The reserve price for consideration of utilisation, allotment or allotment of any property by RSCCL shall therefore comprise of the following components:

13.1.1 The base price as derived in Rule 9;

13.1.2 Consideration for use and size as determined in Rule 10.2;

13.1.3 Loading of factor for additional Floor Space Index as per Rule 11;

13.1.4 Loading of non-saleable area as per Rule 12.1;

13.1.5 Loading of external development charges as per Rule 12.3.

Example: M/s ABC proposes to buy a residential plot of 3 acres from RSCCL in 2017. The base price of such land as per prevailing circle rate is assumed to be Rs. 4,13,71,300/- Indian Rupees Four Crore Thirteen Lakhs Seventy One Thousand and Three Hundred Only per acre. The reserve price of the 3 acres plot will be as under:

<i>Base price as derived in Rule 9</i>	4,13,71,300	
Consideration for use and size as determined in Rule 10.2	As computed below**	16,96,22,330.00
Loading of factor for additional Floor Space Index as per Rule 11	Additional FAR not allowed	Nil
Loading of non-saleable area as per Rule 12.1	16,96,22,330 x .35	5,93,67,815.50
Loading of external development charges as per Rule 12.3	10,000 x 3 x 4046.86 x 1.50 x 1.10 =	20,03,19,570.00
Reserve Price for 3 acres		42,93,09,715.50

**

<i>Up to Fifty decimals</i>	$4,13,71,300 \times 1.60 \times .5 =$	3,30,97,040
<i>Above Fifty decimals but to one acre</i>	$4,13,71,300 \times 1.50 \times .5 =$	3,10,28,475
<i>Next one acre</i>	$4,13,71,300 \times 1.35 \times 1 =$	5,58,51,255
<i>Next one acre</i>	$4,13,71,300 \times 1.20 \times 1 =$	4,96,45,560
<i>Total 3 acres</i>		16,96,22,330

Note 1: Assumed that the base price in example is taken as residential plot of HEC area.

Note 2: Assumed that additional FAR is not allowed.

Note3: Assumed that external development charges are Rs. 10,000 per square meter determined by RSCCL, but subject to actual expenditure incurred by RSCCL.

13.2 Obligation such as payment of stamp duty and registration charges shall be separate and payable by the allottee to the concerned department of Government of Jharkhand.

13.3 Payments for the property shall be as per Rules 14 and 16.

14. Lease and transfer considerations

14.1 All residential property shall be offered on a freehold sale to the allottee, the consideration sought shall be 40% of the Offer Price as determined under Rule 13 payable at the time of allotment, and remaining 60% at the time of possession.

Provided that, if an allottee wishes to choose instalment method for payment, then, in this method, the consideration sought shall be 40% of the Offer Price payable at the time of allotment, and remaining 60% shall be charged in two equal annual instalments for a period of two years along with simple interest of 15% on diminishing balance.

14.2 All commercial property shall be offered on a freehold sale to the allottee, the consideration sought shall be 40% of the Offer Price as determined under Rule 13 payable at the time of allotment, and remaining 60% at the time of possession.

Provided that, if an allottee wishes to choose instalment method for payment, then, in this method, the consideration sought shall be 40% of the Offer Price payable at the time of allotment, and remaining 60% shall be charged in five equal annual instalments for a period of five years along with simple interest of 15% on diminishing balance.

14.3 All institutional property shall be offered only on leasehold basis to the allottee.

14.4 When the property is offered on leasehold basis to the allottee, the period of lease available to the allottee, for the purposes of these rules shall be for 99 years only.

Provided that, an amount of 10% of market price (at that time) shall be charged from allottee as lease renewal charge after expiry of lease period.

14.5 Where the property is offered for lease, the consideration sought shall be 40% of the Offer Price payable at the time of allotment, and remaining 60% shall be charged annually for a period of 10 years along with simple interest of 15% on diminishing balance.

15. Annual lease rent

15.1. RSCCL shall levy, from each institutional property, an annual lease rent not exceeding 0.5 per cent of consideration paid for every year of occupancy.

15.2. Lease rent may be payable on a year-on-year basis, or as a single premium by the allottee to RSCCL as decided by the Auction Committee and approved by the Board.

16. Payment of taxes and user charges

16.1. RSCCL shall inform all the concerned departments regarding any further statutory compliances, that may be applicable on the allottee, once the allotment process has been completed.

16.2. Unless specifically waived off by the Government of Jharkhand as part of any promotional activity, the allottee will be liable to pay all taxes, levies and user charges for all services being availed by him or her, whether from the Municipal Corporation, RSCCL or such other service provider as may be granted rights to provide services under any law or regulation applicable at such time.

Provided that, in all cases, Property Tax shall be charged and payable to RSCCL.

CHAPTER IV: USE, UTILISATION AND DISPOSAL

17. Methods of use, utilisation and disposal

17.1. Various kinds of uses of land for the purposes of these rules are as follows:

S.No.	Use	Inclusions
17.1.1.	Residential use	<ul style="list-style-type: none">- Plots for semi-detached, detached or row housing, where the purchaser has tenurial rights to the complete plot of land.- Apartments for residential use, as defined under Jharkhand Apartment (Regulation & Title of Property) Act, 2011, including housing for low income groups and/or economically weaker sections.- Hostels for use by individuals but which are not part of any larger educational or institutional use, e.g. working women's hostels.
17.1.2.	Commercial (small retail)	<p>All such places which qualify as commercial establishments under Jharkhand Shops and Commercial Establishment Act, 1953, where:</p> <p>The floor area of any single establishment is not in excess of 100 square meters.</p> <p>Provided that any such places which qualify as commercial establishments under Jharkhand Shops and Commercial Establishment Act, 1953, that does not adhere to even one of the above conditions, shall be categorized as "Commercial (large retail/ commercial office space)"</p>
17.1.3.	Commercial (large retail/ commercial office space)	<p>All such places which qualify as commercial establishments under Jharkhand Shops and Commercial Establishment Act, 1953, which do not qualify under the category "Commercial (small retail)" or "Amenity (large recreational - Cineplex, amusement park etc.)"</p>

S.No.	Use	Inclusions
17.1.4.	Institutional (small schools)	Pre-school and primary schools not having beyond class V; Day care and crèches
17.1.5.	Institutional (residential schools/ stand-alone colleges)	All such schools and colleges that do not qualify as “Institutional (small schools)”, irrespective of whether they are or are not residential in nature.
17.1.6.	Institutional (Universities)	Universities established under an Act of the State Legislature or by an Act of Parliament and is regarded as a University under section 2 or deemed University under section 3 of the UGC Act, 1956.
17.1.7.	Utility (water, wastewater, transport, electricity)	<p>Plots not exceeding two acres, where</p> <ul style="list-style-type: none"> - Water supply installations not included within any other plot of land - Sewage treatment plants, pumping stations, decentralized wastewater treatment stations, small scale waste management solutions - Bus depots, terminuses, bus shelters, cycle stands, parking for electrical vehicles - Electricity sub-stations, transformers and other installations appurtenant to supply of electricity <p><i>Exceptions:</i> transmission interchange and sub-stations set forth by Power utilities for landing of 220 KV line, 132 KV substation or interchanges in transmission</p>
17.1.8.	Utility (others)	Any other asset that is used to provide any form of infrastructure not contained under Utility (water, wastewater, transport, electricity)

S.No.	Use	Inclusions
17.1.9.	Amenity (small recreational)	Clubs, small guest houses, community rooms, sports complexes (whether inside a group housing plot or otherwise).
17.1.10.	Amenity (large recreational - Amusement park etc.)	Amusement parks (open to sky or otherwise)

17.2. RSCCL shall employ the following means of utilisation or disposal:

17.2.1. Freehold sale of the plot by auction to the highest bidder

17.2.2. Calling for bids for highest lease premium quoted (auction)

17.2.3. Calling for bids for highest premium payable on sharing of profits (competitive bid for joint development)

17.3. The decision to employ any of the above methods for utilisation & allotment will be taken by the auction committee of RSCCL based on the following conditions precedent for the particular property or properties in question:

S. No.	Method	Rationale	Examples
17.3.1.	Freehold sale of the plot to highest bidder	Where the asset created is required to exist in perpetuity. Where the asset may carry an insured value equal to or more than the capital cost of such asset, or where the risks and rewards of the use are not known and solely transferable to the allottee.	Residential and commercial assets.
17.3.2.	Calling for bids for highest lease premium quoted (auction)	Where the proposed use generates a moderate rate of return along with a medium to high risk profile; and/or	Mid-range segment for housing projects e.g. MIG-II and HIG housing Private hospitals & nursing homes of

S. No.	Method	Rationale	Examples
		Where the bidder universe is restricted on account of other considerations, viz. open only to entrepreneurs within the State of Jharkhand	less than 100 bed capacity; Universities and other institutions created by an Act of the State Legislature, which have a permanent seal & succession.
17.3.3.	Calling for bids for highest premium payable on sharing of profits (competitive bid for joint development)	Where the project generates a moderate to high rate of return but with a low to medium risk profile; The project assures income flow for several years; The share of RSCCL or any other promoter of the project the project can be offloaded to third parties such as Real Estate Investment Trusts or Infrastructure Investment Trusts RSCCL can negotiate RERA liabilities with the co-promoter.	Commercial real estate (office spaces) Integrated mixed-use developments with residential & commercial ventures requiring more than Rupees 500 Crores of investment

Note: *The above categories are indicative only and not exhaustive in nature. RSCCL shall have the liberty to place land of any kind and purpose for any method of disposal as above.*

18. Switching between method of use, utilisation and disposal

18.1. If RSCCL is unable to secure allottees through auction, after the process has been repeated at least two times, resulting in failure to find a allottee, the Board may, having taken due cognizance of failure to find a suitable allottee, agreed upon the reasons thereof and the corrective actions to be taken.

18.2. In case, the reserve price of the property is deemed to be the reason for failure to secure allottees, the Board may reconvene to set forth a new reserve price for the property in question.

18.3. However, at no point of time, the reserve price should go below the lower limit of the range of value as determined by the panel of valuers in Rule 9 or the market price, whichever is lower.

18.4. If a property fails to evoke interest amongst allottees even after being placed for allotment after a reduction in the reserve price, the Board shall resolve to withdraw the property from allotment till such time a fresh valuation is performed or till such time the Board resolves again to place the property for allotment.

19. Announcement of intent to allot

19.1. The Board of Directors of RSCCL shall resolve to place properties for allotment by e-auction placed in a board meeting specially called for the same.

Provided that, the allotment and disposal of such properties have to be completed within a period of six months from the date of such a resolution being filed with the Registrar of Companies.

19.2. The intent to allot shall be communicated on the website of RSCCL, apart from being listed on property portal(s) as may be determined by the Auction Committee or any such service as may be selected by the Auction Committee.

Provided that, the Board of RSCCL shall approve of the use of such websites, portals as may be prescribed after having taken due consideration of security of information and risk of leakage thereof;

19.3. RSCCL may also publish such notice in leading newspaper(s) as per media and advertising policies of Government of Jharkhand.

Provided that, no intent to allot can be communicated till such time the project is not registered with the Real Estate Regulatory Authority for the State of Jharkhand.

20. Information to be indicated

20.1. RSCCL shall, in its notice indicating intent to allot, indicate, for each property being placed for allotment, all the relevant information.

20.2. Reserve price of each property that is placed for allotment (as applicable) by auction.

20.3. A timeline indicating the schedule of allotment viz. start date of sale of application forms, last date of filing application forms, conduct of auction, declaration of results, payment of upfront sale price and/or lease premium, grant of possession etc. shall be indicated by RSCCL.

21. Inspection of properties

21.1. RSCCL shall maintain, at its office, and for all potential allottee(s) and agents to see and examine, details of information collated under Rules 4 to 7.

21.2. RSCCL may organise site visits to the area based development to facilitate potential allottees to assess the actual site(s) for themselves. No reimbursement of any type of expenses shall be made by RSCCL for these visits to potential allottees.

22. Application process

22.1. RSCCL may solicit registration from interested and prospective allottees for participating in the allotment process from a particular date after announcement of intent, wherein:

22.1.1. RSCCL shall issue an application form to be filled up by the applicant, clearly indicating the properties, whose allotment it is interested in such properties shall be identifiable through a unique method such as a unique number, code or location identifiable by Cartesian coordinates.

22.1.2. RSCCL shall ask the applicant to furnish certain "Know Your Customer" (KYC) documents, inter-alia:

i. Statement of incorporation or registration of the applicant in case of a body corporate such as companies, societies, cooperative societies, trusts, limited liability partnerships and partnership firms;

Provided that, individuals may also apply; however, RSCCL shall be at liberty to seek additional information regarding the source of funds from where the lease or sale consideration is intended to be paid.

ii. Proof of address of registered office and place of actual operations for communications;

iii. Board resolution attested by Company Secretary and filed with Registrar of Companies authorising the signatory to act on behalf of the applicant;

iv. PAN and/or Aadhar Card, subject to judgment of Hon'ble Supreme Court of India;

v. Such other information as may be solicited;

22.2. RSCCL may also solicit such applications through its website or any dedicated Internet site with which it may enter into an agreement to manage the application process. Initially, both online and offline modes of application will be available;

however, RSCCL shall endeavour to shift into a completely online method of application as early as possible.

22.3. Any legal person may apply for allotment of a plot of land.

Provided that, such legal person should be (1) legally capable of holding property within the Union of India, (2) not be insolvent, (3) not of unsound mind in case of individuals, (4) not be restricted by any law or any order of a competent court of law to hold property.

22.4. RSCCL, in case of allotment by freehold basis or by leasehold basis, may demand a refundable application fee not exceeding five per cent of the reserve price, to be payable either as:

22.4.1. A bank guarantee executed in favour of RSCCL in a format specified at the time of soliciting applications;

22.4.2. Demand draft drawn in favour of RSCCL;

Provided that, in case of the bidder not honouring the commitment, in case of winning the auction, such amount will stand forfeited along with any claims that RSCCL may place as damages on account of losses if any, suffered by RSCCL in the process.

Further provided that, in case of successful bidders, if application fee in form of Demand Draft, shall be adjusted in the offer price. In the case of unsuccessful bidders, the application fee shall be refunded without any interest accrued within the time such amount is held by RSCCL.

22.5. RSCCL may, in line with statutory requirements for certain kinds of businesses, trades, professions or callings, restrict applications to certain categories of persons, who meet such criteria laid down by the Board.

22.6. A person may apply for allotment of more than one property. In such case, each such property has to be separately applied for.

22.7. RSCCL may set forth a non-refundable application processing fee for each property that is placed for allotment usually not exceeding 0.01 per cent of the reserve price set forth for the property as per Rule 13.

22.8. Application processing fee may be paid in any manner specified by RSCCL, including, but not restricted to: (1) Demand Draft, (2) NEFT/ RTGS/ SWIFT

transfer, (3) Challan filed at designated post office or scheduled commercial bank, (4) any other method as mentioned by RSCCL.

22.9. Applications shall be accepted only up to a particular date and time as decided by RSCCL. Applications and/or payments made after the deadline shall not be accepted.

22.10. In case, RSCCL comes across inadequate interest in any property(s), it may extend the application window by a period specified by the Board.

22.11. Each application accepted shall be assigned an acknowledgment number by RSCCL. For the purpose of convenience, this number shall be used in all communications and assignments till the time of granting physical possession of the property.

23. Constitution of an auction committee

23.1. RSCCL shall constitute an auction committee to set pre-requisites and eligibility criteria for applicants to participate in the auction, comprising of the Chief Executive Officer, Chief Financial Officer and at least one member nominated by the Chairman and Managing Director;

Provided that, where members are of the view that an independent view of the market is necessary, externally nominated individuals specialising in the function for which the property is meant to be used, may be nominated by the CMD, who are not associated with any applicant in any manner.

23.2. The auction committee shall set the pre-qualification criteria ensuring both Technical Eligibility and Financial Eligibility of the applicants. The auction committee shall submit the pre-qualification criteria for prior approval by the Board, before issuing a public notice.

23.3. Applicants shall be allowed to participate in the auction only if they qualify through both Technical and Financial Eligibility criteria set by the auction committee.

24. Conduct of auction for sale or allotment of leasehold rights

24.1. All auctions shall be conducted electronically through a website specifically designated or co-opted by RSCCL, who shall also take the necessary steps in listing the auction process and steps.

Provided that, the selection or usage of such websites, portals as may be prescribed shall be approved by the Board after having taken due consideration of security of information and risk of leakage thereof.

24.2. On the appointed date, RSCCL shall intimate all applicants, who have been assigned an acknowledgement number and who have expressed interest in a property that is to be allotted through auction, about the date and time of the auction.

Provided that, any person who has received an acknowledgment number, but has not been intimated of the auction may participate in the auction using the acknowledgment number/slip.

24.3. On the appointed day, RSCCL will conduct the auction process after duly verifying that the participants in the auction are ones who have previously registered for allotment;

24.4. Bids will be placed on the actual base price to be paid for the property for an initial lease period as determined by RSCCL. In effect, a bidder cannot bid for a unit rate or for a lease period that is different from what is on offer.

24.5. The results of the auction shall be recorded by the website as indicated above and also recorded by the competent representative of RSCCL and placed on its website. The winning bids will be listed by (1) application acknowledgment number and (2) winning bid amount.

25. Joint Development Agreement

25.1. In pursuance to the exercise of powers under section 191 of the Act, in certain cases, where RSCCL wishes to co-opt or partake into the longer-term proceeds from the property, it shall seek to enter into a joint development agreement with a developer or promoter, who may be selected competitively.

25.2. RSCCL may procure the services of a professional transaction advisor with specialisation in executing similar joint development agreements to advise the best course of development on such land, the minimum share that should be accorded to RSCCL and an appropriate mode of transaction along with a concession. In most cases, the land will be placed at no consideration at the disposal of the promoter, who will be selected on the basis of the highest recurring premium over a period determined by RSCCL in line with the advice rendered by the transaction advisor and accepted as such;

25.3. The transaction advisor should be capable of performing valuations of the business as a whole and be able to assign a minimum share value to the land;

- 25.4. RSCCL will, in association with such promoter, form a new joint venture special purpose vehicle company for the specific project involving the land parcel, for which joint development agreement is to be made. The share of RSCCL will be determined from the advisory provided by the transaction advisor.
- 25.5. Since RSCCL will be a shareholder in the special purpose vehicle company for the joint development, the promoter will be obligated to declare actual profits to RSCCL as a co-shareholder.
- 25.6. In certain cases, RSCCL may, after duly consulting with the transaction advisor, determine a minimum floor rent that is to be paid by the promoter in lieu of profits earned in a single year, should the actual profits be lower than the floor rent.
- 25.7. The selection of the promoter will be conducted separately and by a special committee constituted by the Board of RSCCL for the said purpose. The transaction advisor will provide the draft of the joint development agreement, term sheets and such other documentation required to execute the project, which will be approved by the Board of Directors of RSCCL.
- 25.8. By default, RSCCL will stay indemnified from the provisions of RERA, and compliance requirements will be limited to the promoter.

26. Issue of demand cum offer of allotment letter

- 26.1. RSCCL may, within one month of the conduct of the auction, issue demand-cum-offer of allotment letters seeking the upfront payment or first instalment of the offer price based on the amount realised during the auction.
- 26.2. The demand letter shall lay out a period of one month from the date of issue for the allottee to deposit the amount with RSCCL or its authorised bank.
- 26.3. In the event of failure of the allottee to do so, the offer of allotment shall stand withdrawn;

Provided that, the offer will be made, in the case of auction, to the bidder who has submitted the next highest bid; if such bidder does not accept, then the offer shall be made to the third highest bidder, and so on.

27. Payment of consideration

- 27.1. An allottee would be expected to make the payment of consideration as per Rule 14 towards being granted possession of the property.

27.2. RSCCL will issue letters stating no-objection to the mortgage of the property only against the property where the entire consideration has been received by RSCCL.

27.3. Payments will be made to the account specified by RSCCL, in a manner of its choosing, such as demand draft, NEFT/ RTGS/ SWIFT, pay order, bank challan etc. Regulations associated with mandatory disclosures in terms of sale, purchase, transfer or conveyance of property such as quoting of Income Tax PAN etc. as announced by Government of India or Government of Jharkhand from time to time shall apply.

28. Grant of possession and issue of conveyance deed

28.1. RSCCL, having satisfied itself that the conditions of the demand letter and offer of allotment have been met, shall execute a conveyance deed in favour of the allottee. The registration of deed will be facilitated by RSCCL, with the registration amount and stamp duty being paid for by the allottee to the concerned department in the prescribed form.

28.2. At the time of grant of possession, a representative of RSCCL shall ensure the demarcation of the plot in line with the coordinates recorded as per Rule 5, and issue a letter of handover to the allottee.

CHAPTER V: RIGHTS AND OBLIGATIONS OF ALLOTTEE

29. Use not to be changed without express permission of RSCCL

29.1. Allottees will be expected to use the premises only for the purpose, for which it is allotted. Changes in use, where permitted by applicable law (viz. Bihar Regional Development Authorities Act, 1981 as adapted by the Government of Jharkhand or Jharkhand Municipal Act, 2011), shall require being accorded by RSCCL.

Provided that, for any changes in use, only 5% of the built-up area shall be allowed to the allottee.

Further provided that, such changes shall be allowed only when the changes in use are for allied activities.

29.2. RSCCL may levy surplus consideration in case the use is changed substantially from what the use was originally planned for viz. from pure residential use to mixed use.

30. Transfer of lease

30.1. An allottee may transfer the lease of the property to another party for a consideration. The tenure of the lease will not exceed the period of the original lease.

30.2. An allottee desiring to transfer lease or possession to another party has to seek and obtain a no-objection certificate from RSCCL.

30.3. RSCCL shall be entitled to receive payment of two per cent of the consideration paid by the transferee to the transferor. Such payment may be paid by the transferor or transferee or either of them, based on mutual understanding.

Provided that, where the property is changing hands between the transferor and transferee as a gift, RSCCL is entitled to carry out an instant valuation of the asset in line with Rule 9 and entitled to two per cent of such reserve price as derived by Rule 13.

And further provided that, this clause shall also apply to situations where the allottee may wish to transfer part or whole of the asset to a Real Estate Investment Trusts (REITs) as recognised by the Securities and Exchange Board of India (SEBI).

31. Development controls and adherence to bye-laws

31.1. Allottees will adhere strictly to the development controls laid forth by RSCCL at the time of allotment of the plot. Where any provisions are not explicitly specified, the provisions of JBBL shall be deemed to apply.

31.2. Deviations from sanctioned plan shall be addressed in the manner as prescribed under law.

31.3. To the above effect, an allottee has to submit a building and/or a site plan within six months of being granted possession to RSCCL and seek approval thereupon. In case of revisions being sought thereupon, the same must be requested within a period of one year from the date of grant of sanction of the original plan.

31.4. Allottees will have to commence construction on the land within one year of grant of possession and obtain a provisional or partial occupancy certificate from RSCCL within a period of three years;

Provided that, where the plot of land is proposed to be developed in phases, at least one phase should be made operational in a span of three years. The term 'phase' includes a complete building, for which an occupation certificate has been received.

32. Compliance with RERA

32.1. All allottees desirous of working as promoters for any flatted or plotted development shall intimate to RSCCL their plans prior to submission to Real Estate Regulatory Authority of Jharkhand in line with the provisions of Real Estate (Regulation & Development) Act, 2016 including all amendments made thereafter.

Provided that, RSCCL, in such cases will not be responsible for compliances of such allottees as promoters, since the land had already been handed over to them.

32.2. Such promoters as listed in Rule 32.1 above shall be required to make full disclosure in line with the law; such as statement of carpet area, definition of 'apartment', timelines for delivery, amount received, correlation of physical and financial progress and maintenance of escrow accounts and so on.

33. Sustainability measures

Allottees in possession of more than two acres of land will be obligated to install:

33.1. measures pertaining to on-site waste management capable of handling all organic waste;

- 33.2. measures for on-site wastewater treatment capable of handling over 50 per cent of the expected discharge;
- 33.3. measures for generating solar energy through solar panels involved on the roof of the structure or any such horizontal or vertical surface, which does not impede movement of public or users, nor encroaches upon any public land, right of way or such other means of access that may impede safety and accessibility across the site, in general.

34. Mortgage or securitisation of land

- 34.1. Allottees may mortgage their land with any recognised financial institutions with prior permission from RSCCL in order to raise financial resources for their respective projects;
- 34.2. RSCCL shall, in line with Rule 27.2 above, issue a letter stating no-objection to such mortgage, unless it has any serious concerns about the intent or capability of the allottee, which it may communicate to the same in writing, stating valid reasons.

Provided that, while the allottee may correspond with RSCCL with regards to alleviating any apprehensions about its ability to utilise and service such debt against mortgage, RSCCL shall still continue to have discretion as regards issue of such a no-objection certificate.

- 34.3. In the event of the mortgaging bank or financial institution having to liquidate the asset(s) on account of default by the allottee, the following principles shall apply:
 - 34.3.1. The mortgaging bank or financial institution shall take possession of the land along with any property, such as buildings, plant and machinery installed on the same.
 - 34.3.2. The mortgaging bank or financial institution shall consult with RSCCL as to the period for which the asset shall be leased to a new lessee to recover dues from the defaulting lessee.
 - 34.3.3. The mortgaging bank or financial institution shall auction leasehold rights for the plot of land for a period of up to 33 years, including the number of years remaining in the lease period of the current (defaulting) lessee at the time of the bank or financial institution taking possession; the reserve price for the lease being determined in the same manner as the lease of a new plot of land in Rule 14 above.

34.3.4. If applicable, the mortgaging bank or financial institution shall also auction the assets situated on the land, such as building, plant, machinery or other movable assets on an as-is basis at a value determined by it, in line with regulations for valuation of assets hypothecated or mortgaged to the bank.

34.3.5. Proceeds from the auction of leasehold rights shall be used to first settle the outstanding debt of the financial institution, surpluses, if any remaining will accrue to RSCCL.

Provided that, RSCCL shall have the first right over the property which is being auctioned by the mortgaging bank or financial institution on the matching price of the highest bidder

34.4. The mortgage shall be purely usufruct in nature, i.e. the mortgaging financial institution shall only securitise the rights of the allottee to occupy and use the premise, and transfer, in case of default, such rights to another allottee.

34.5. In the event of usufructuary mortgage, the conveyance shall not be treated as a 'transfer' under Rule 30 above; however, in the event of the financial institution allotting such rights to another party for liquidation of the liabilities of the original and defaulting allottee, the same will be treated as a 'transfer' under Rule 30.

34.6. In certain cases, allottees may desire to transfer the debt liability from one financial institution to another on account of better terms of loan or a repayment plan, such transfer shall be allowed under intimation to RSCCL, and not be considered as a 'transfer' under Rule 30.

35. Surrender of lease

35.1. Allottees, who desire to surrender land including any building(s) constructed at any given point may do so by:

35.1.1. Applying to RSCCL of their intent to surrender or vacate such land and building;

35.1.2. Providing a current valuation of immovable assets existing on the plot at the time of applying for such surrender not including trees, shrubs or such other natural vegetation, rocks, earth or naturally occurring materials.

35.1.3. Issue a certificate duly certified by its statutory auditors that at the time of demanding the surrender, no dues or liabilities are pending with any bank or financial institution that would be passed on the land, buildings and/or any other immovable or movable assets situated on the land, or any such third party, which would result in a claim to be made towards RSCCL in the future, after the surrender has taken place.

35.1.4. Providing a tentative schedule of evacuation and handing over of such premises.

35.2. RSCCL, upon receipt of such request, shall verify the present condition of the land and structures, if any, present on the same and communicate its acceptance of such surrender.

35.3. RSCCL shall reimburse to the surrendering allottee, the following sum(s) of money for the various portions surrendered:

S.No.	Component	Maximum amount payable
35.3.1.	Balance of lease amount	Seventy-five per cent of original lease consideration paid apportioned for the balance amount of lease period; twenty-five per cent will be retained by RSCCL as penalty/ compensation. Consideration will not be adjusted to present day, nor interest payable thereupon.
35.3.2.	Constructed assets in violation of law	None, cost of demolition/dismantling to be deducted from the returnable amount of the allottee.
35.3.3.	Constructed assets which are not in violation of law	Depreciated replacement cost
35.3.4.	Plant, machinery or other movable assets	None, cost of disposal to be deducted from the returnable amount of the allottee and proceeds from disposal thereof retained by RSCCL.

- 35.4. The allottee shall execute a conveyance deed (“surrender deed”) in favour of RSCCL. Stamp duty and registration charges, if any, shall be payable by the allottee.

CHAPTER VI: MISCELLANEOUS

36. Penal levies

36.1. In case of any instances of violation of the terms of lease by an allottee, RSCCL shall first confer with the Municipal Corporation as to the nature of the violation. Typically, a violation will be of one of the two types: (1) Compoundable, which can be accepted after making corrections to the terms of the lease deed and compensating RSCCL and/or the concerned public authority, and (2) non-compoundable, which cannot be corrected through a change in the lease deed and is of a nature of breach of trust.

36.2. The following violation shall be categorized as compoundable violations:

S.No.	Compoundable violations
36.2.1.	Non-commencement of construction
36.2.2.	Violation of approved plan but not to an extent that any other service within the site is compromised
36.2.3.	Variations in building plan which do not endanger the building
36.2.4.	Development has been undertaken in deviation of the approved plan, but within the framework of the use restriction and provisions, norms, and stipulations of this Rule
36.2.5.	Deviations up to 10% in respect of side, front and rear setbacks. 10% in respect to FAR and 10% in respect to height.
36.2.6.	Any other violation, which shall be declared by RSCCL as compoundable offence depending upon the nature of such violation

36.3. The following shall be categorized as non-compoundable violations:

S. No.	Non-compoundable violations
36.3.1.	Non-payment of lease or lease premium
36.3.2.	Diversion of land for purposes other than what was prescribed
36.3.3.	Material violation of approved plan which cannot be corrected
36.3.4.	Material violation of building plan which endangers the lives and livelihoods of people or goods inside.
36.3.5.	Encroachments on public space

36.3.6.	Development has been undertaken unauthorized over the area earmarked/approved for parking
36.3.7.	Development encroaches with the natural drainage of the locality
36.3.8.	Where road or drain whether public or private, whether constructed or natural, has been encroached
36.3.9.	Where number of floors has been increased from permissible limit/sanctioned map
36.3.10.	Any other violation, which shall be declared by RSCCL as non-compoundable offence depending upon the nature of such violation

36.4. RSCCL shall indicate the nature of material loss it would stand to incur on account of the compoundable or non-compoundable infraction allegedly committed by the allottee. Such nature of loss shall be the basis for RSCCL to claim any form of penal levy or proceedings for cancellation of lease as per Rule 38 below.

36.5. Certain offences of non-compoundable nature shall be penalised as per the relevant provisions of Jharkhand Municipal Act, 2011 including all its amendments made thereafter;

36.6. In the case of certain compoundable offences such as non-commencement of construction after a certain date and where the allottee is found to be responsible thereof, i.e. the failure to commence construction is not on account of any extraneous factor such as delay in grant of statutory clearances of any nature (viz. environment) by any extraneous authority, RSCCL may, keeping in view the losses of multiplier revenue arising from lack of any economic activity on the premises, impose a penal levy on vacant land under section 152(1)(b) of the Act; Provided that, such penal levy should be maximum 5% of the consideration paid, adjusted to the year in which such levy is being made;

Further provided that, such levies will be treated as arrears of land revenue and recoverable under the Bihar and Orissa Public Demand Recovery Act, 1914 as adapted by the Government of Jharkhand or recovered as per section 181 of the Act.

37. Cancellation of lease, resumption and payments to be made

- 37.1. For other offences, RSCCL may take recourse to one or more of the following steps:
- 37.1.1. Levy of compensation by demand, enforceable through orders of a competent court. Such compensation shall be recovered as arrears of land revenue or recovered as per section 181 of the Act.
- 37.1.2. Cancellation of lease, in case the allottee fails to pay or deposit with the court or RSCCL the amount of penal levy determined;
- 37.2. In case of cancellation of lease, the allotted party shall be granted the right to be heard, and explain its position. For such purposes, a State Officer having a judicial background and expertise in handling legal matters shall be nominated by the Board. The State Officer shall share the proceedings of such cases with the Board. Thereafter, if the Board is satisfied that the allottee has acted prudently and in keeping with the spirit of the purpose, such purpose or intent not being in violation of any other law in force at such time, or is not against the letter or spirit of the Mission, it may choose to cease proceedings for cancellation of lease.
- 37.3. If the Board, based on the recommendations of the State Officer is not satisfied with the explanation of the allottee, it will initiate proceedings for cancellation of lease.
- 37.4. No amount will be refundable in case of cancellation of lease.
- 37.5. RSCCL and the allottee shall initially attempt to settle the issue through mediation and shall take recourse to all options to resolve the issue.
- 37.6. If the issue remains unresolved, it will be referred to the Chief Secretary, Government of Jharkhand, who shall give the opportunity to both RSCCL and the allottee before taking a decision, which shall be final and binding upon both parties.
- 37.7. Should RSCCL or allottee chose to contest the results of such mediation, they shall have legal recourse to contest such proceedings against RSCCL within the jurisdiction of Ranchi. However, Government of Jharkhand will not be party or respondent to such litigation. Such litigation may involve, inter-alia, the usage or veracity of grounds on which cancellation proceedings have been initiated, or

even the amount reclaimable by the allottee for lease premium paid or compensation of assets constructed.

37.8. The vacation of property by the allottee shall be governed in line with the provision of laws applicable to the Revenue and Land Reforms Department of the Government of Jharkhand, and with an overarching applicability of the Bihar Public Land Encroachment Act, 1956 as adapted by Government of Jharkhand. Upon vacation of the premises by the allottee, RSCCL shall resume possession of premises.

37.9. The plot of land or property of RSCCL or resumed by RSCCL shall be deemed 'public premises' and therefore be eligible for initiating eviction proceedings under Bihar Public Land Encroachment Act, 1956 as adapted by Government of Jharkhand.

38. Power of the State Government

38.1. Notwithstanding anything contained in the foregoing paragraphs of the Jharkhand Smart Cities land and other fixed assets (Utilisation, Allotment and Disposal) Rules, 2018, the Urban Development and Housing Department, Government of Jharkhand by issuance of notification in the official gazette may amend or withdraw any of the provisions mentioned herein above.

38.2. If any difficulty arises in giving effect to provisions of the land allotment rules, the same shall be referred to the State Government through Chief Secretary and thereon the decision taken shall be final.