

Copy of Reso. No. 12(L-03)
of
Councils Ordinary Meeting
Dated 28/08/2015

ITEM NO. 12 (L-03)

1. Name of the Subject:

Policy for disposing the council property on licence fee basis through auction to private individuals/entities.

2. Name of the Department:

Estate Department-I

3. Brief History and Detailed proposal:

The Estate-I Deptt. deals with the management of public premises which are given on monthly / annual licence fee basis for a specific period in accordance with the policies and guidelines laid down by the Council through various resolutions from time to time.

The allotment of vacant properties on licence fee basis is to be made as per section 141 of the NDMC Act 1994. So far as auction is concerned, the value is determined by way of open competition, hence it is meeting the requirement under section 141(2) of the Act. Therefore, the department proposes authorization to Chairperson for disposing the council properties on licence fee basis through auction to private individuals/entities.

4. Financial implication:

The proposed policy shall increase the revenue of the Council.

5. Implementation schedule with timelines for each stage including internal processing

The decision taken in this regard by the Council would be complied with.

6. Comments of the Finance Department on the subject:

(i) In the draft agendum relating to Pvt. Entities para 13.4 states that Chairman shall cause to lay before the Council list of properties so disposed through e-auction. The department may also clarify in the Draft Agendum as to what is the existing procedure/system.

(ii) The proposal relates to authorizing Chairperson, with reference to the provisions of section 141 and its sub sections of NDMC Act, 1994. As

such, this case needs to be examined by Law Department and their opinion is also needed to be brought in Draft Agenda.

- (iii) The Department may also mention at para 9 of the draft agenda about the earlier resolution on Estate policy matter.

7. **Comments of the Department on comments of Finance Department:**

- (i) The allotments are made through open auction with the approval of the Chairperson.
- (ii) Law Department has vetted the proposal.
- (iii) Needful done.

8. **Legal implication of the subject**

Section 141 of the NDMC Act, 1994 states as under:

"(1) The Chairperson may, with the sanction of the Council, lease, sell, let out on hire or otherwise transfer any immovable property belonging to the Council.

(2) The consideration for which any immovable property may be sold, leased or otherwise transferred shall not be less than the value at which such immovable property could be sold, leased or otherwise transferred in normal and fair competition.

(3) The sanction of Council under section 140 of this section may be given either generally for any class of cases or specially for any particular case.

(4) Subject to any conditions or limitation that may be specified in any other provisions of this Act the foregoing provisions of section 140 and this section shall apply to every disposal of property belonging to the Council made under, or for any purpose of this Act.

(5) Every case of disposal of property under sub-section (1) of section 140 shall be reported by the Chairperson without delay to the Council."

The auction process shall comply with section 141(2) of the Act as the auction will determine the market price of property.

This proposal complies with the statutory requirement of disposing the properties through normal and fair competition under section 141(2) of the NDMC Act, 1994.

9. **Details of previous Council Resolutions on the subject:**

Resolution No.06 dated 18.3.1999

Resolution No.9(L-01) dated 30.9.2004

Resolution No.5(L-08) dated 06.2.2014

Resolution No.16(L-03) dated 20.6.2014

Resolution No.15(L-04) dated 27.8.2014

10. **Comments on the Law Deptt.**

Section-141 provides the provision for disposal of immovable property and under sub-section-1 of Section-141 of the NDMC Act the Chairman may with the sanction of the council, lease, sell, let out on hire or otherwise transfer any immovable property belonging to the Council. Sub-Section-2 of Section-141 further provides that the consideration for which any immovable property may be sold, leased or otherwise transferred shall not be less than the value at which such immovable property could be sold, leased or otherwise transferred in normal or fair competition.

In view of above if the Department is ensure that the draft agenda for allotment of the space is not in violation of the said section of the NDMC Act then the Department may proceed the case accordingly.

11. **Comments of the Department on the comments of the Law Deptt:**

The disposal of council property is through e-auction and the highest bid is to be accepted.

12. **Certification by the Department that all Central Vigilance Commission (CVC) guidelines have been followed while processing the case.**

There are no guidelines on the subject being a policy decision.

13. **Recommendations:**

- (i) The Council may authorize Chairperson for disposing the council property on licence fee basis through auction to particular class i.e. private individual/entities.

- (ii) Chairman may be authorized to engage M/s. Metal Scrap Trade Corporation(Central PSU) as an agency to e-auction the council properties from time to time.
- (iii) Chairman may be authorized to accept the highest bids of the council properties disposed through auction to class of cases i.e. private individuals/entity.
- (iv) Chairperson shall cause to lay before the Council the list of properties of the Council so disposed through e-auction before the Council

14. Draft Resolution

To be decided by the Council

COUNCIL'S DECISION

In view of the provisions of section 141 of the NDMC Act, 1994, the Council resolved to sanction that :

- (i) the Chairperson, NDMC may dispose of properties of the Council on licence fee basis through online e-auction to particular class i.e. private individuals / entities;
- (ii) the Chairperson, NDMC may engage M/s Metal Scrap Trade Corporation (Central Public Sector Undertaking) or any other central / State Government Undertaking as an agency to online e-auction such properties from time to time;
- (iii) the Chairperson, NDMC may accept the highest bid received through online e-auction for disposal of such properties to class of cases i.e. private individuals / entities;
- (iv) the Chairperson, NDMC shall cause to lay before the Council the list of such properties of the Council so disposed of through online e-auction, within a period of three months from the date of such decision.


 07/09/15
 For Secretary
 New Delhi Municipal Council
 Palika Kendra, New Delhi