

Allotment of 4.5 acre land for convention centre

Construction of Convention Centre

- Previous committee has decided to construct the convention centre and have spent an amount of approximately Rs 50 crore.
- The construction is not yet complete and an approximate amount of Rs.5 crores is due to the contractors.

Loan details toward the construction of convention centre

- An amount of Rs.20 crores has been taken as loan from Punjab & Sind Bank and the loan installments have already started from February, 2021 with Rs.41.5 lakhs as EMI.
- There is a bank balance of approximately Rs.5 lakhs and fixed Deposit of about Rs.2 crores as on date. These amounts can meet the payment of EMIs for about 5 months.
- We do not foresee any fixed revenue except for occasional transfer fees which may be sufficient to meet the establishment cost.

Lease of Convention Centre

As per the Managing Committee meeting minutes on 10.09.2018, tenders were intentionally not invited through advertisement in newspapers because of “chance of filing cases if advertised in newspapers“. Further committee members were instructed to get quotes from known circles which indicates that the entire process was stage managed to allot lease to a particular agency.

Records show that the convention centre was given on Lease vide agreement dated 29.05.2020 and an advance of Rs.3 crores was taken. The Lease agreement was registered on 29.12.2020 by the Person In-charge Committee (PIC).

As per the lease agreement the lessees are not authorized to use it for commercial purposes as it was sanctioned for Convention centre. But in contradiction, some of the correspondence shows that lessee can use the premises as an office. The lease agreement further mentions that the buildings are under lessee's custody and the society or its members do not have any first right on the usage of the centre.

The Occupancy Certificate for the building has not been obtained yet as several works are yet to be completed and there is no clarity on the handing over period and also when the Lease payments will start coming in. This makes it more difficult to plan and pay the installment amount to the bankers.

It was also observed that an area of 2,01,000 sq ft. has been constructed but the Leased area is only 68,000 sq ft. and no lease amount was charged for the balance of 1,33,000 sq ft which includes parking and common areas.

From the earlier committee meeting minutes, documents and the project report submitted to bank, it has been observed that the lease amount is Rs.65-75 per sq.ft. However, the lease rate as stated in the Lease deed is Rs.35/sq.ft. This is a gross violation and we are investigating into the variation of these rates being agreed upon without proper basis.

Keeping the above in view, we have decided to appoint a specialized entity to review the entire matter and give a detailed report which will be shared with members shortly.