

eAuction Of Land Parcels





The Context – Importance of Allotment of Land Parcels

- The Government of India has mapped as much as five lakh hectares of land spread across 3,390 industrial belts and special economic zones (SEZs) across the country to boost domestic manufacturing and woo foreign investors
- Inordinate delays in land acquisition have been one of the biggest obstacles in India's bid to emerge as a major industrial nation
- Land parcels, therefore, have become a key initiative of the government, as it intends undertaking structural reforms in factors of production to enable greater manufacturing and reverse a Covid-19 induced slide in growth.
- Land parcels are also important for affordable housing given the 'Housing for All' Scheme wherein it is planned to build 60 million homes by 2022

Objectives:

State Industrial Infrastructure Development
/Housing Development Boards



Have an accountable, auditable, transparent and fair way of allotment of industrial and housing development land parcels



Go digital



Introduce seamless auctioning processes



Maximization of price realizations in the shortest possible time

The 'As Is' Process of Allotment Of Land Parcels

- Manual
- Allocation on 'first come first served' basis
- Sub-optimal in-house IT driven auction mechanisms
- Influence of consortiums and land mafia



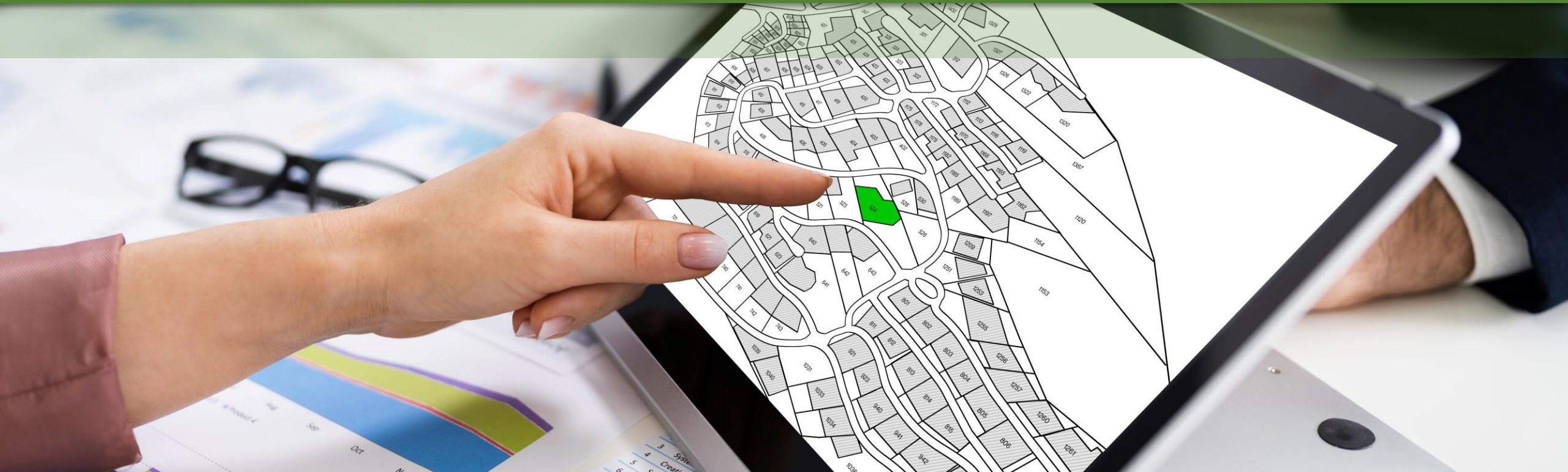


Challenges in the 'As Is' Process

- Manual process in the land allotment procedure / granting of approvals and clearances to investors reduced the ease of doing business in the state
- Absence of 'digital' processes to reach large number of prospective buyers
- Lack of transparency for people not allocated and chances of litigation
- Absence of a quality price discovery mechanism

A broad solution to the above challenges

- Adoption of an automated/customized platform run by a specialized, credible and experienced company
- Benefits : Platform Expertise for superior outcomes through a fair, transparent and auditable process



Case in Point: UPSIDA & UPAVP

UPSIDA (UP State Industrial Development Authority)

- ✓ A government body spearheading the development of industrial infrastructure in the State of UP since the last 56 years
- ✓ Till date, UPSIDA has developed a record 154 industrial areas on approximately 43,788.54 acres of land across Uttar Pradesh.

UPAVP (UP Awas Vikas Parishad)

- ✓ An organization that strives to ensure affordable housing in environmentally invigorating habitats with inclusive facilities, especially for the economically weaker sections, low and middle income groups as well as provide competitive price options for the other sections of the society.

Erstwhile mode of allotment of land by UPSIDA & UPAVP

- Manual process
- Offline documentation
- 'First come first' serve basis
- No mechanism to determine the best market price

Challenges in the Allotment Process

- Establishing transparency for each step
- No competent platform service provider for incorporation of best industry practices
- Sub-optimal price realizations
- Formation of consortiums and interventions of the land mafia



Tenders floated by UPSIDA & UPAVP:

- Focus given on prior experience, credibility and financially sound platform service provider
- Absence of blacklisted service providers
- Conformation to Certifications for data security and Govt. Statutory compliances



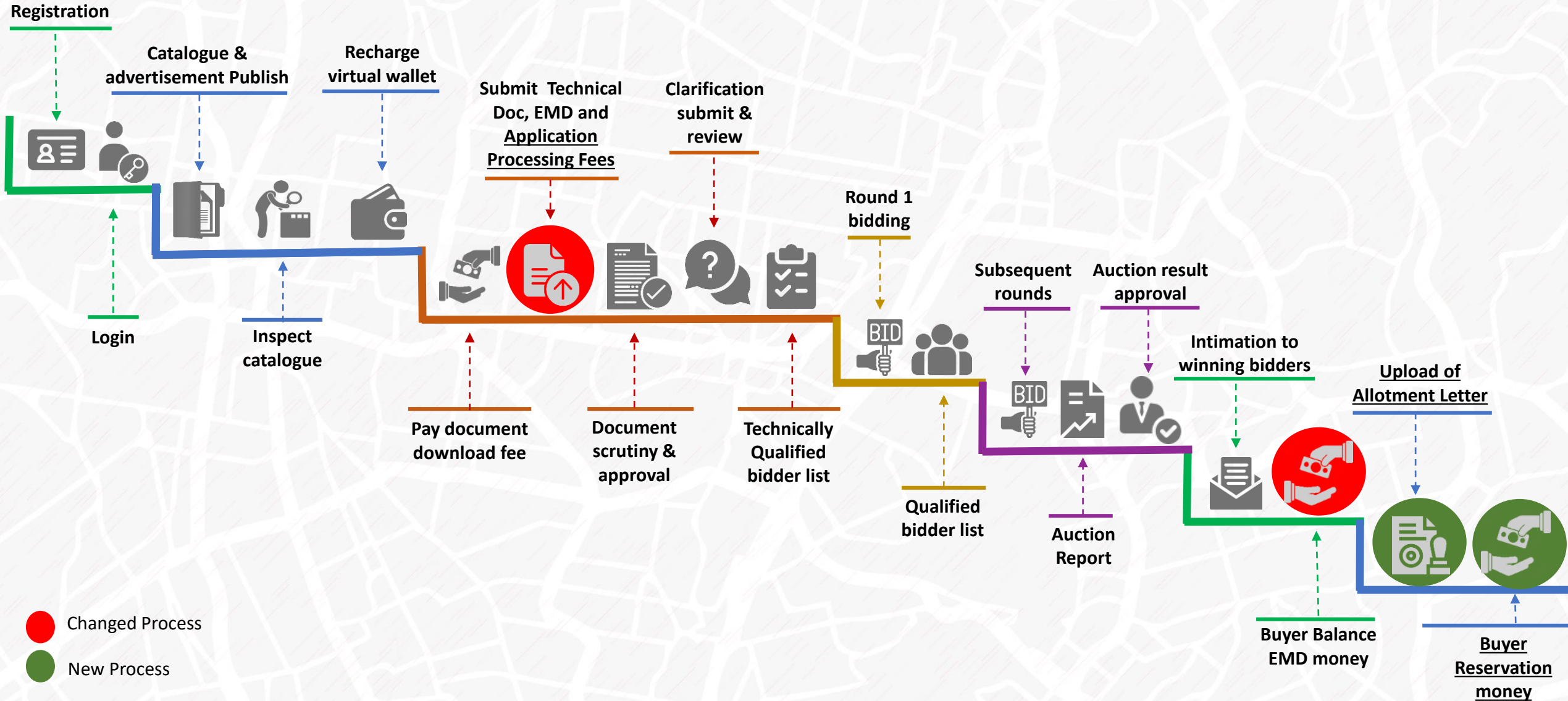
Solution by mjunction

- Understanding the complete 'As Is' Process and suggesting a revamped digital solution in consultation with the key decision makers
- Introduced a customized e-Auction platform keeping with the industry best practices of transparency, equality of opportunity and advanced security features
- Implemented a step by step service process on the platform which included
 - Demonstration of the existing platform
 - Preparation of draft service catalogues with dates and times/ document lists/property details
 - Preparation of newspaper advertisements and website notices for the client



Solution by mjunction – Contd

- Facilitation of bidder registrations and the documentation processes
- Online & secured technical evaluation of interested buyers
- Payments collection thru secured Online payment gateway – Collection of Catalogue download fee, Document processing fee and EMD for participation
- Implementation of the different service protocols including automated mail intimation to H1 bidders
- Transparently declaring the highest prices online
- Many more features..



Outcomes

- Increased transparency in the complete process
- Digital platform for handling the process with complete audit trail
- Limited manual interventions
- Big step towards showcasing 'Ease of doing business' in the state
- Superior price realizations to the tune of 143% on an average over the base price
- Maximisation of revenue from the allocated plots in the shortest possible time



Outcomes - UPSIDA

Performance Parameters	Details
Type of Properties / Plots sold	<p>Category : Industrial Plots</p> <p>Sub-Category : General Industry, EPIP Plots -Export Industrial , Textile Plots : Ready Made Garments , Agro Based Industrial Plots , Leather Goods Plots , Packaging Industry Plots , Non-Polluting Plots</p>
Total No. of Plots sold	52+
No of interested buyers registered	500+
No of Bidders qualified and participated	290+
Price Appreciation on an average over the base price	143%+
Total plot area sold	67000 sq m +
Transaction Value	40+ crores

Results (as on 17th September , 20)

Outcomes - UPAVP

Performance Parameter	Details
Type of properties/ Plots sold	Commercial, Residential, Flat, School, Health Centre, Nursing Home, Community centre, Hotel, Petrol/Diesel Pump, Group Housing, Multiplex, Shops, etc.
Total No. of Plots sold	35 +
No of interested buyers registered	435+
No of Bidders qualified and participated	There are eligibility criteria to participate in the School plot.46 buyers submitted the documents. Among them UPAVP selected 44 buyers who were eligible to participate in e-auction.
Price appreciation on an average over the base price	43% +
Total plot area sold	Approx 25000 Sq. mt
Transaction Value	Rs. 148 Cr+

Results (as on 17th September , 20)

Quote of Mr. Anil Garg - Ex CEO, UPSIDA

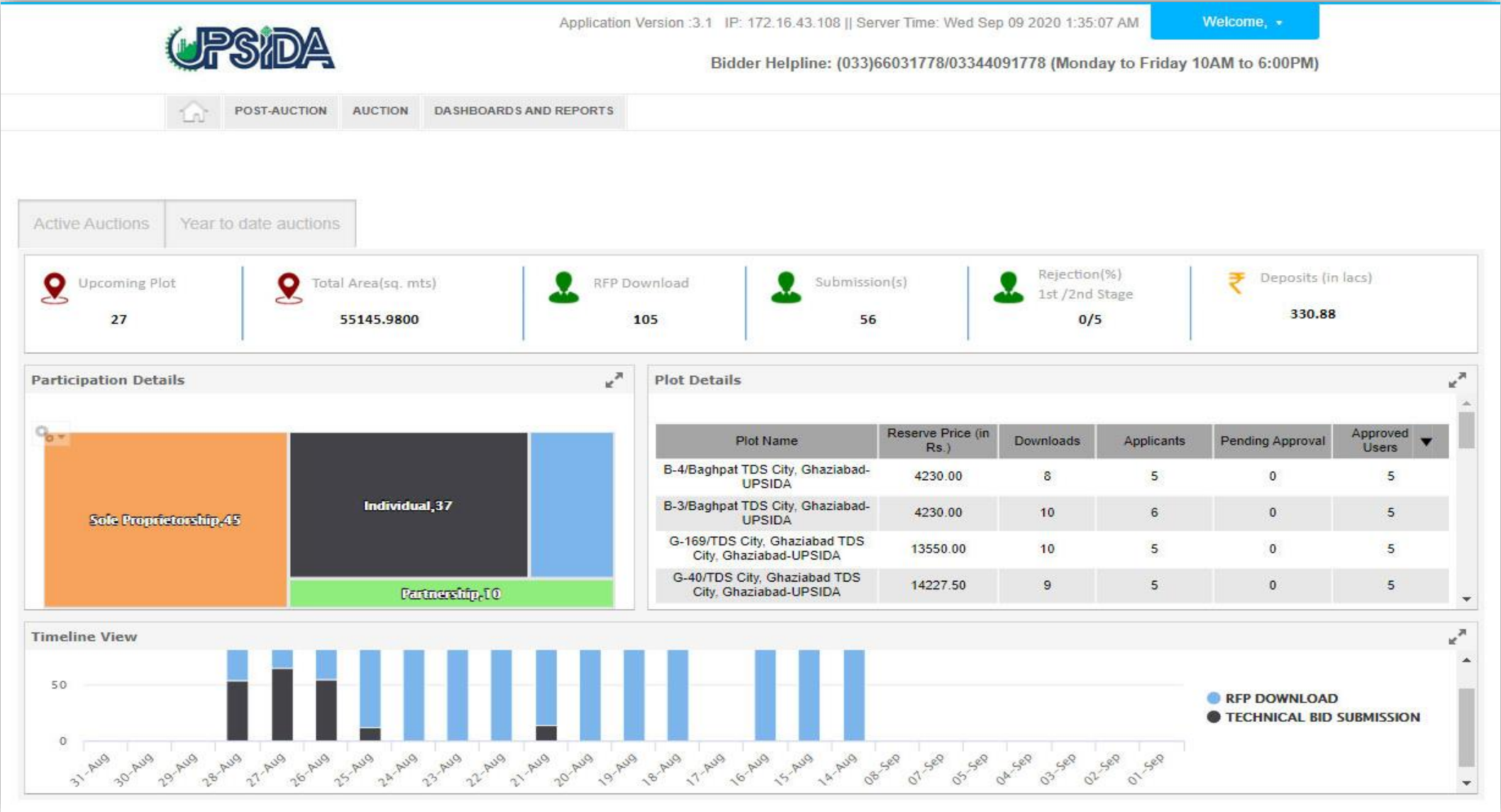
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“The decision to go online was taken to ensure transparency in the system and mjunction has helped us to achieve that objective smoothly and without any hitch. The price appreciation of 143% that has accrued to UPSIDA from the process encourages us to stick to this process henceforth. This e-auction was held for allotment of plots located in premium industrial areas where 75% of the land has already been earmarked for industrial growth . The transparent and hassle-free system thus provides a perfect opportunity to serious investors who want to set up industries in the state. This initiative is also an integral part of UPSIDA’s digitization efforts during the lockdown.”

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Dashboard For Outcomes



Update

- mjunction will be going live with 1 more state body within 1 month and are in advance discussions with few more.



Suggested Next Steps: State Industrial Infrastructure /Housing Development Boards

- Consider introduction of experienced and credible platform service providers like mjunction with knowledge of services, design of custom strategies to suit your requirements and processes to reap the maximum benefits
- Engage an experienced and credible service provider for a detailed study of the present allotment process of real estate, land parcel sales
- Endeavour converting all manual, offline sales processes to transparent, digital automated platform driven processes
- Focus on transparency and data security



www.mjunction.in | +91 33 6610 6100

mjunction services limited
Godrej Waterside, 3rd Floor,
Tower 1, Plot V Block DP, Sector V,
Salt Lake, Kolkata - 700091.



To know more about how we can unlock
the true value of your Land Parcels you
may also like to get in touch with us.



Thank you