

## **Guidelines of Mega Projects**

### **A) GENERAL PROCEDURE (MEGA PROJECTS)**

1. Application for approval of mega project will be received in the office of the concerned nodal agency i.e. the Punjab Urban Development Authority for Housing projects, Punjab Agro Industries Corporation for Agro Processing projects and Udyog Sahayak in the Department of Industries for Industries for Industrial Parks, Manufacturing, Multiplexes, Hotels and other residual category projects.
2. Application to be submitted in the prescribed format ([Annexure-IX](#)) should be accompanied by project synopsis alongwith details of the promoters, location, proposed fixed capital investment, employment potential, implementation schedule and the details of concessions sought.
3. Proposal will be circulated within 7 days of receipt in the office of the nodal agency concerned to the concerned departments for their comments to be given in 15 days.
4. The proposal along with comments if any received from the concerned department will be placed before screening committee to be constituted under the Chairmanship of the Chief Secretary and comprising of Administrative Secretaries of the Department of Finance, Industries, Agriculture, Housing, Science Technology & Environment, Power and Excise & Taxation and other concerned departments as may be required, in its next meeting for making recommendations to the Empowered Committee.
5. All Projects, if found eligible will be recommended for the grant of standard concessions by the Screening Committee to the Empowered Committee. The Screening Committee may further identify the special concessions/ relaxations in conditions sought by the Promoter for taking decision by the Empowered Committee keeping in view the nature and size of the Project.
6. The Screening Committee will meet every fortnight and consider all the cases received.
7. Recommendations of the Screening Committee will be placed before the Empowered Committee headed by the Chief Minister, in its next meeting which may be held as and when required keeping in view the number of cases recommended by the Screening Committee.
8. After approval by the Empowered Committee and issue of proceedings of the meeting, Letter of Intent (LOI) will be issued within 15 days by the nodal agency concerned to the applicants alongwith Draft Agreement.
9. Status of the application will be indicated on the Web Site, of the concerned nodal agency.

10. On fulfilment of conditions of LOI, Agreement will be signed by the Government in concerned Department with the applicant. Period of 6 months will be provided in the LOI for fulfilment of conditions of LOI and signing of Agreement, failing which, the LOI/ Approval will lapse unless extended for further period of not more than 6 months, on the application of the Promoter explaining the circumstances and reasons for seeking extension.
11. Copy of signed Agreement will be circulated to all concerned departments for issue of orders/ notifications in respect of concessions pertaining to their department. Screening Committee, headed by the Chief Secretary will also review the status of grant of concessions/ clearances. The Department concerned will ensure the grant of concessions and all clearances within one month after receipt of agreement and on fulfilment of the condition precedent, failing which the mater will be brought to the notice of the Chief Secretary by the Nodal Department for issue of clearance/ grant of concessions by the concerned department.

The Administrative Secretary of the concerned Department will issue the notification/ order for the grant of concessions/ incentives/ relaxations as directed by the Chief Secretary forthwith.

## **B) CONDITIONS & CONCESSIONS FOR MANUFACTURING PROJECTS**

### **1. Conditions at the time of submission of the Project**

Fixed Capital Investment in the proposed Project would be Rs. 1.00 crore or more (Rs. 25 crore or more in case of border districts), except in case of Agro processing, IT, ITes, Bio-technology, Electronics and Garment manufacturing units where Fixed Capital Investment may be Rs. 25 crore or more.

### **2. Conditions of LOI after fulfilment of which Agreement is to be signed.**

- (i) In principle approval of the financial institution/ bank for funding the project may be submitted by the Promoter to the concerned nodal agency. If the project is to be set up entirely with own funds, the details of financial resources may be provided.
- (ii) Details of land on which project is to be set up may be given.

### **3. Time-period**

The Project will have to be implemented in 5 years from the date of signing of agreement by the Company with State Government, unless extended for further period of not more than 1 year by the Government on the request of the Promoter for the reasons to be recorded in writing.

### **4. Concessions**

- (i) Exemption from electricity duty upto 5% for five years.
- (ii) Exemption from Stamp Duty as levied in Schedule 1-A of Indian Stamp Duty Act, on purchase/ lease of land.
- (iii) Exemption from Advance Consumption Deposit in case of expansion projects, provided consumption does not exceed from the present level.

- 5. Above concessions may be given as a matter of practice in each case. Additional concessions may be considered by the Empowered Committee keeping in view the nature and special circumstances and the size of the project.

## **C) CONDITIONS & CONCESSIONS FOR MEGA INDUSTRIAL PARKS PROJECTS**

### **1. Conditions at the time of submission of the Project.**

- (i) Fixed Capital Investment should be Rs. 100 crore or more.
- (ii) Minimum quantum of land for the Park should be:-
  - 10 acres for the built-up Parks.
  - 25 acres for Parks having only plotted area.
- (iii) A minimum of 60% of the area should be developed as an industrial pocket and a maximum of 10% of the area may be developed as a commercial pocket and balance area be developed as a residential pocket.
- (iv) Multi-Speciality Hospitals, Engineering, Medical and Management Colleges may also be set up within non-industrial area of the Park. Hotels may be set up in commercial area of the Park and not in industrial area.

### **2. Conditions of LOI after fulfilment of which Agreement is to be signed.**

- (i) In principle approval of financial institutions/ banks for funding the project is to be submitted to the Nodal Agency by the Promoter. If the project is to be financed by the Promoters from their own funds, the details thereof may be given.
- (ii) Ownership of land or Development Agreements with owners of land for atleast 50% of land by the Company before signing of Agreement, alongwith agreement of sale for balance 40% of land with land owners in the name of Company having validity of 6 months, which shall be bought by the Company within 6 months. The remaining 10% of land may be acquired by the Government for the Developer, if so requested.
- (iii) The land can be either self acquired agricultural or industrial land or industrial land allotted by Government or any of its agencies. In case of industrial land, self acquired or allotted by the Government or any of its agencies, change of land use is to be got done by the Promoter in accordance with Policy for change of land use dated 4.3.2005 as amended from time to time.

### **3. Time-period**

The Project will have to be implemented in 3 years from the date of signing of agreement by the Company with State Government, unless otherwise extended for further period of not more than 1 year by the Government on the request of the Promoter, for the reasons to be recorded in writing, as amended from time to time.

#### **4. Concessions**

##### **4.(a) Fiscal**

- (i) As per the Industrial Policy 2003, exemption will be granted from stamp duty as levied in Schedule 1-A of Indian Stamp Duty Act and registration fee on first sale/ transfer of built up space of the units or land in-side the project area. Such exemption shall extend to the project area upto first sale of developed area/ plot/ built up space to any party by them or to any of its affiliates. There shall be no stamp duty on lease instrument of units located in the project area. Such exemption shall remain operative till the completion of the entire project as per the agreement.
- (ii) Exemption from electricity duty upto 5% for 5 years shall be allowed from the date of release of connection by PSEB. This concession shall be admissible only to the Developer of the project during its construction period and also to such portion of the property which is retained by the Developer. This will not be admissible to the subsequent Purchaser(s)/ Lessee(s)/ Franchise etc. of the property within the Industrial Park, unless, however, his unit is a mega unit in its own right duly approved by the Empowered Committee.
- (iii) The land use change in the area falling under the Periphery of Chandigarh governed by the Punjab New Capital (Periphery) Control Act, 1952 and the Periphery Policy notified by the State Government on 20.1.2006, Local Planning areas and Controlled Areas declared under the Punjab Regional Planning and Town Development Act, 1995 and any other area in the State of Punjab, shall be allowed without any licence fees and land use charges levied by the Housing and Urban Development Department in accordance with the land use plan of the planning areas and in accordance with the Periphery Policy and any other Policy, rules & instructions issued by the Government of Punjab. However, if any or whole part of land of the project area is not covered in any master plan or planning zone under the Punjab Regional & Town Development Act, 1995, the land use thereof shall not be changed or amended later on and shall be incorporated as such and included in any future master plan or zoning which shall be prepared under the above Act.
- (iv) In case of Industrial Parks coming up on industrial land, self acquired or allotted by the Government or any of its agencies, the conversion may be allowed in accordance with the Policy for Change of Land Use dated 4.3.2005, as amended from time to time, on payment of charges as fixed by the Department of Housing & Urban Development. However, the Promoter will have option to surrender 50% land converted to non-industrial use fee of cost back to the Industries Department or the authority that originally allotted the land in lieu of conversion charges, as provided in the Policy dated 4.3.2005.

- (v) The State Government Shall ensure that connectivity to power, roads, accessibility, communication, civic and other infrastructure upto project is provided within 240 days from the date the same is applied for to the concerned department/ agency/ authority/ local body on fulfilment of various terms and conditions required in this regard at such rates/ fee etc. which shall not be less favourable to them compared to similarly placed projects/ customers. However, the proportionate cost of any infrastructure upgradation of the area where Industrial Park is proposed to be set up, incurred by the concerned Municipal Corporation/ Committee/ Department of PWD or other Government Department or Agency shall be borne by the Promoter.

#### **4(b) Non-fiscal**

- (i) Permission under the provisions of Punjab Mines & Mineral Act shall be allowed within the project area for works relating development of the project. However, due charges as may be applicable under the relevant law will be payable
- (ii) High-rise buildings upto 45 mtrs. Shall be allowed subject to Air Safety Regulations, Traffic Circulation, Fire Safety norms and Parking norms as provided in the Building Byelaws.
- (iii) FAR of 2 shall be allowed for industrial and commercial purpose. FAR of 1.5 for residential plotted and FAR of 2 for group housing, and FAR of 2 shall be allowed for institutions. However, the relevant Building Bye-laws/ regulations shall be applicable to the area. The guidelines issued by the Department of Industries & Commerce for Industrial Parks vide its notification dated 25.5.2005, as amended from time to time, shall also be applicable.
- (iv) The project of Industrial Park shall be exempted from PAPR Act. 1995. However, the layout and zoning plan shall be got cleared/ approved from the Competent Authority which shall be deemed to be a license under PAPR Act 1995. The building plans shall also be got cleared from Competent Authority under the relevant law applicable in the area.
- (v) State Government shall allow the company to connect the project area to the State Transport Network. The State Government shall also allow them to operate their own public transport system within the project area and also for connecting the project area to the main urban centre nearest to the project area subject to the fulfilment of required terms and conditions in this regard.
- (vi) The State Government shall not allow hazardous industry as defined under Factories Act within 500 meters of the project area and industrial plots within the Industrial Park shall also not have any hazardous industry.

- (vii) Pollution Control Board shall grant NOC and consent to operate to the Green Category Industry to be located in the Industrial Park in 30 days on fulfilment of all the required terms and conditions.
- (viii) The Department of Industries shall be the single Nodal Agency for facilitating the project and getting clearances etc. required for the unit for the project and the project area and will also get resolved various issues which will relate to the Government Departments or Punjab Government Public Sector Undertakings/ Authority/ Local Body.

## **5. Conditions for grant of Concessions**

[As per notification dated 25.5.2005]

- (i) In case of Industrial Parks having plotted areas, company shall develop the Industrial Component first and housing/ commercial/ institutional component subsequently. Before using/ selling/ allocating/ renting/ leasing etc. the residential/ institutional & commercial pocket, the company shall not only first develop industrial pockets completely but also dispose off atleast 50% of the industrial plots to industrial units which will be set up in the industrial pocket and the entire project shall come up with proposed investment level in stipulated period. For Industrial Parks having built up space complete infrastructure will also be laid before using/ selling/ allocating/ renting/ leasing etc. the residential/ institutional & commercial pocket.
- (ii) The project shall not be advertised/ launched and no money will be collected from general public for allotment of land/ plot/ flat/ any space till such time the layout/ zoning plans are cleared from the competent authority.
- (iii) Permissible saleable area in the industrial pocket shall be 65%, in the residential pocket 60% and for the Commercial Pocket 40%. Balance of area shall be used for common facilities, open spaces, green belt etc. as per approved zoning plan and as per building byelaws of Housing & Urban Development Department.
- (iv) Zoning and Layout plan will be cleared by competent authority declared by the Department of Industries & Commerce, Punjab.
- (v) Common facilities would include the facilities for air conditioning, roads (including approach roads), water supply, sewerage facilities, common effluent treatment facilities, telecom networks, generation and distribution of power or any other facilities in relation to a building or the land on which it is located and all easements, rights and appurtenances belonging to the land or the building, which are neither in the exclusive possession of an

apartment owner/ plot owner in terms of conveyance deed of the apartment/ land, provided that the facilities are used for more than 2 industrial units in the Industrial Park.

- (vi) Infrastructure development would include roads (including approach roads) water supply and sewerage facilities, common effluent treatment facilities, tree planting, telecom networks, generation and distribution of power, parking facilities, parks, street lights, provision for community building and such other facilities as are of common use for industrial activities which are identifiable and are to be commonly used.
- (vii) Industrial Parks with a residential component shall have only non-polluting units and distance between industrial area and other areas will be in accordance with guideline issued by Punjab Pollution Control Board and Department of Housing & Urban Development from time to time.
- (viii) Necessary clearances from various central/ state agencies will have to be obtained by the developers as per statutory requirements and on payment of such prescribed fees as required under the law. The Department of Industries & Commerce, Government of Punjab will be the single nodal agency for approving and facilitating the projects for getting clearances etc. and will also facilitate in getting resolved various issues which will relate to Government departments/ agencies.
- (ix) Industrial Park shall come up as one unit at single geographical location and shall be developed in contiguity. However, public service which already exists such as road, canal, park etc. shall not be construed to break the unity and contiguity of the Park subject, however, to local bylaws applicable in the area. Where the land use plan in a local planning area/ controlled area has already been determined, the Industrial Park may be put up either in the industrial or residential area.
- (x) Benefits to industrial parks under industrial policy, if provided by the Government shall be withdrawn by State Government in case the park is not put up/ developed in accordance with the sanctioned plan within the prescribed time period. The Government shall also be entitled to recover the cost of the reliefs/ concessions, if availed by the Promoter (as dues recoverable by the Government, as arrears of land revenue) in the event of failure on the part of the Promoter to fulfil its obligations as prescribed in the Agreement signed with the Government.

## **D) CONDITIONS & CONCESSIONS FOR MEGA MULTIPLEX PROJECTS**

### **1. Conditions at the time of submission of the Project**

- (i) Definition of Multiplex as provided in the Scheme for Development of Multiplex Complexes notified by State Government on 8.9.2003 will be followed. However, minimum requirement of land will be 2 acres outside Municipal Areas and 1 acre within Municipal limits.
- (ii) Fixed Capital Investment, including land cost, should be Rs. 100 crore or more. In case more than one Multiplex is to be set up, their investment may be clubbed and combined investment should be more than Rs. 100 crore. However, investment including land cost, in individual multiplex will not be less than Rs. 40 crore.
- (iii) Details of land/ locations will be given by the Promoter.

### **2. Conditions of LOI after fulfilment of which Agreement is to be signed.**

- (i) In principal approval of the financial institution/ bank for funding the project may be given. If the project is to be set up with own funds, the details of the same may be provided.
- (ii) Proof of ownership of land or Development Agreements with Owner of land in the name of the Company may be given. The land can be either commercial, self acquired agriculture land or self acquired industrial land or industrial land allotted by Government or one of its agencies. In case of agriculture land, the promoter will get the land use changed from the Department of Housing in accordance with Periphery Police or any other Policy framed by the Government for this purpose. In case of industrial land, change of land use is to be got done by the Promoter in accordance with policy for change of land use dated 4.3.2005 or any other Policy framed in this regard by the State Government.

### **3. Time Period**

The Project will have to be implemented in 3 years from the date of signing of agreement by the Company with State Government, unless otherwise extended for a period of not more than 1 year by the Government on the request of the Promoter for the reasons to be recorded in writing.

### **4. Concessions**

#### **4(a) Fiscal**

- (i) 100% exemption from entertainment tax for a period of 10 years.
- (ii) 50% exemption in electricity duty at current rate for a period of 5 years from the date of release of connection by PSEB for the project of Multiplex. This concession shall be admissible only to the Developer of the project during its construction period and also to such portion of the property which is retained by the Developer. This will not be

admissible to the subsequent purchaser(s)/ Lessee(s)/ Franchise etc. of the property within the Multiplex complex.

- (iii) Freedom to fix ticket rates in relaxation of Punjab Cinema (Regulation) Rules, 1952 as provided in the notification dated 8.9.2003 issued under the Industrial Policy, 2003.
- (iv) Power tariff rates as applicable to Industry will be applicable, subject to approval of the Punjab State Electricity Regulatory Commission as provided in the notification dated 8.9.2003 issued under the Industrial Policy, 2003.
- (v) No transfer fee except stamp duty shall be leviable on the first sale of shopping area by the Developer of the Multiplex. However, on subsequent sale transfer fee as applicable at the time of sale shall be applicable.

#### **4.(b) Non-fiscal**

- (i) FAR of 3, ground coverage of 50% and height upto 45 mtrs. subject to Air Safety Regulation, Traffic Circulation, Fire Safety norms and Parking norms as per local byelaws.
- (ii) Exclusion of basements from FAR for parking only. Atrium area to be counted once at ground floor level for the purpose of FAR.
- (iii) Licence for hotel, restaurant and pub/bar to be granted by concerned departments.
- (iv) Conversion of Land Use will be allowed by the Department of Housing and Urban Development from agriculture to proposed use on payment of conversion charges and in accordance with Periphery Policy or any other policy framed by the State Government. In case of industrial land, self acquired or allotted by the State Government or any of its agencies, the conversion will be allowed by the Department of Industries in accordance with policy for Change of Land Use notified on 4.3.2005 or any other policy framed in this regard by the State Government. If the land use is allowed, the existing allottee shall have to pay conversion charges (which will include license fees, external development charges and change of land use charges) as fixed by the Department of Housing & Urban Development from time to time.

In lieu of conversion charges, the allottee will have an option to surrender equivalent land free of cost from same plot to the authority that originally allotted land. Such land would have equivalent or better road front and access compared to the land meant for Multiplex. The authority will be free to use the land so surrendered for commercial or any other purpose and the returns therefore will be deposited in the Industrial Infrastructure Development Fund.

- (v) Relaxation under Shops & Commercial Establishment Act by the Labour Department to permit 24 hour operation.
- (vi) The project shall be exempted from PAPR Act, 1995 to the extent of obtaining the licence. Approval of layout and Building Plans by competent authority shall be deemed to be a licence under PAPR Act, 1995. However rest of provisions as Licencee under PAPR Act, shall be applicable, as if a licence has been issued under the PAPR Act, 1995.

**5. Conditions for grant of Concessions**

- (i) Period for completion of minimum investment of Rs. 100 crore (Rs. 25 crore in border districts) (not more than 25% of the cost of project being included as cost of land in each project) shall be 3 years from the date of agreement signed between the Promoter and the Government, unless otherwise extended for a period of not more than 1 year by the Government on the request of the Promoter, for the reasons to be recorded in writing.
- (ii) The concessions will be restricted to investment in upto 3 acre of land for a particular Multiplex. Construction beyond 3 acres may be counted for investment purpose, but will not be entitled for any concessions granted to Multiplexes.
- (iii) Projects having only shopping malls, without cinema screens will not be included for the purposes of clubbing investment of the projects of the company at different locations to determine the mega projects status and will not be eligible for above concessions.
- (iv) All the projects will fulfil the conditions as laid down in Industrial Policy, 2003 i.e. conditions with regard to minimum number of seats, area, investment etc. as prescribed in the Scheme for Development of Multiplex Complexes.

However, condition of minimum three cinema halls can be relaxed in case the Multiplex is with IMAX theatre.

## **E) CONDITIONS & CONCESSIONS FOR MEGA HOTEL PROJECTS**

### **1. Conditions at the time of submission of the Project**

- (i) Fixed Capital Investment should be Rs. 10 crore excluding the cost of land.
- (ii) Detail of land on which project is to be set up will be given by the applicant. However, the location will comply to local byelaws.

### **2. Conditions of LOI after fulfilment of which Agreement is to be signed.**

- (i) In principle approval of the financial institution/bank for funding the project may be given. In case the project is to be financed by own funds, the details of the same may be given.
- (ii) Proof of ownership of land or Development Agreement with owner of land in the name of the Applicant Company may be given.

### **3. Time-period**

The Project will have to be implemented in 3 years from the date of signing of agreement by the Company with State Government, unless otherwise extended by the Government for a further period not exceeding one year for reasons to be recorded in writing.

### **4. Concessions**

#### **4.(a) Fiscal**

Exemption from electricity duty upto 5% for a period of 5 years from the date of release of connection by PSEB for the project of Hotel.

#### **4.(b) Non-fiscal**

- (i) FAR of 3, ground coverage of 50% and height upto 45 mtrs. subject to Air Safety Regulation, Traffic Circulation, fire Safety norms and parking norms as per applicable byelaws. Atrium area to be counted once at ground floor level for the purpose of FAR.
- (ii) Relaxation under Shops & Commercial Establishment Act by the Labour Department to permit 24 hour operation.

### **5 Conditions for grant of Concessions**

- (i) Change of land use will be allowed by the Department of Housing & Urban Development in accordance with the periphery policy or any other policy formulated by the State Government on the payment of Change of Land Use charges fixed under the policy. Licence fees and External Development Charges will be levied as applicable.

- (ii) If Hotel is part of a Multiplex, coming up on Industrial Land allotted by a Government Agency, then the Promoter will obtain conversion from the Department of Industries as per the policy framed and issued by the Department of Industries on 4.3.2005 amended from time to time on the payment of charges fixed by the Department of Housing & Urban Development.

## **F) CONDITIONS & CONCESSIONS FOR AGRI MEGA PROJECTS**

### **1. Conditions at the time of submission of the Project**

Fixed Capital Investment in the proposed Project would be Rs. 25 crore or more.

### **2. Conditions of LOI after fulfilment of which Agreement is to be signed.**

- (i) In principle approval of the financial institution/bank for funding the project may be submitted by the Promoter to the concerned Nodal Agency. If the project is to be set up entirely with own funds, the details of financial resources may be provided.
- (ii) Details of land on which project is to be set up may be given.

### **3. Time-period**

The Project will have to be implemented in 5 years from the date of signing of agreement by the Company with State Government, unless extended for further period of not more than 1 year by the Government on the request of the Promoter for the reasons to be recorded in writing.

### **4. Concessions**

#### **4.(a) Fiscal**

- (i) 100% exemption from payment of Mandi Fee, Rural Development Fee and Infrastructure Cess on purchase of fruits & vegetables directly from farmers for processing by the unit for 10 years.
- (ii) 75% exemption from payment of Mandi Fee, Rural Development Fee and Infrastructure Cess on purchase of non-FCI grade foodgrains, barley and maize (except custom milling of paddy) directly from farmers for processing by the unit for a period of 10 years.
- (iii) Exemption from basic stamp duty at the current applicable rate on purchase of land for the designated purpose.
- (iv) Declaration of factory premises of the unit as private Mandi yard and permission for direct purchase of foodgrains/maize/ barley/ fruits/ vegetables required for processing by the unit.
- (v) 100% exemption on electricity duty on captive consumption of power generated by the unit.
- (vi) 50% exemption on electricity duty on purchase of power from PSEB for 5 years from the date of release of connection.

- (vii) Link Advance Consumption Deposit with the actual consumption of power. However, in the first instance, the unit will deposit ACD at applicable rates.
- (viii) Supply of power as per normal rates available to continuous processing industry. However, the unit will pay nominal peak load charges.

**4.(b) Facilitation**

- (i) Sanction of power connection by Punjab State Electricity Board within a stipulated period of 60 days from date of filing of application with them.
  - (ii) Single window clearances for pollution/environment, change of land use, and sanction of buildings and all architectural plans.
  - (iii) Last mile connectivity in respect of metalled road and street lighting from main road to the project site.
  - (iv) Issuance of License on Fast Tract for brewing of Beer and Distillation of Grain alcohol.
  - (v) Treating Agri Mega Projects on par with the IT industry regarding working hours by Department of Labour.
  - (vi) Allotment of land wherever Panchayats are willing, as per the policy of Department of Rural Development and Panchayats.
- 5.** Above concessions may be given as a matter of practice in each case. Additional concessions may be considered by the Empowered Committee keeping in view the nature and special circumstances and the size of the project.

## **G) CONDITIONS & CONCESSIONS FOR MEGA HOUSING PROJECTS**

The department of Housing and Urban Development shall be the Nodal Agency for facilitating the projects in additions Department of Industries and commerce may also facilitate the projects.

### **1. Conditions at the time of submission of the Project**

- i) Fixed Capital investment should be Rs. 100/- crore or more.
- ii) Minimum quantum of land for residential project should be :-
  - \* 100 Acres in Local Planning Areas in the Chandigarh Periphery Controlled Area in the Punjab portion.
  - \* Area as per zone wise requirement defined in the Housing & Urban Development Memo No. 18/182/06-6HG2/5598 dated 17.7.2007,
- iii) \*The land should be at single geographical location and shall be developed in continuity, public services which already exists such as roads, canals, parks etc. shall not be construed to break the unity and contiguity of the Project.
- iv) 50% of the ownership of the project land at the time of submission of proposal to the Committee headed by CS before it is considered by the Empowered Committee.

### **2. Conditions of LOI after fulfillment of which Agreement is to be signed**

- (i) Ownership of land or Development Agreements with Owners of land for atleast 50% of land by the Company before signing of Agreement, alongwith Agreement of sale of balance 40% of land with land owners in the name of Company having validity of 6 months, which shall be bought by the Company within 6 months. The remaining 10% of land may be acquired by the Government for the Developer, if so requested.
- (ii) \*At the time of applying for grant of change of land use under mega projects, the promoters / developers would submit ownership documents for at least 50% of the total land.
- (iii) \*Copies of development agreement with farmers / land owners for 25% of the land and agreement to sell with the land owners to the tune of 15%.
- (iv) \*As per the prevailing policy promoter will also submit the details of 10% (maximum) land of the project, which is required to be compulsorily acquired by the state government only to fill the critical gaps at the cost of the developer.
  - \* Modified vide memo No. 17/81/07-3HG2/3450-57, dated 20.05.2008.

### **3. Time-period**

The project will have to be implemented in 3 years from the date of signing of agreement by the Promoter with the State Govt. unless otherwise extended for further period of not more than one year by the Govt. on request of Promoter for reasons to be recorded in writing.

### **4. Conditions for grant of Concessions**

- i) They will have to pay external development charges, license/ permission fee, conversion charges at the rates, notified by the Housing and Urban Development Department from time to time.
- ii) The project shall not be advertised/launched and no money will be collected from general public for allotment of land/plot/flat/any space till such time the layout/zoning plans are cleared from the competent authority and exemption u/s 44 of PAPRA is issued by the Government.

### **5. Concessions**

- i) The provision contained in Section 5(9) of PAPR Act, 1995 shall be complied with.
- ii) The layout/zoning plan shall be got cleared / approved from the prescribed authority under PAPR Act, 1995. Subsequently, the building plans shall also be got cleared from the prescribed authority under the Punjab Urban Planning Development Authority Building rules, 1995. In case the project falls within any Municipal area, relevant Municipal Laws and Building Rules shall be applicable and Building Plans shall be approved by the Prescribed Authority under these law rules. However, all such clearances may be given by the prescribed authority within 30 days. The clearance/approval so given may be in accordance with any relaxation granted by the Committee.
- iii) The land use change may be allowed by the Housing and Urban Development Department within 30 days as per the Master Plan/Draft Master Plan of the relevant area and as per standard Town Planning practice. In case of land falling under Periphery Controlled Area, land use change may only be allowed in accordance with the Periphery Policy of the State Government and in accordance with the draft Zoning/ Layout Plan and Master Plan of the Local Planning Areas.
- iv) State Govt. may acquire land as per provisions of the Land Acquisition Act, 1894 on requests by the company at their cost subject to the condition that such acquisition shall be limited to only 10% of total area of the project only to fill the critical gaps. The

acquisition may be carried out as per the existing policy of the department of Housing & Urban Development and by their Land Acquisition Collector.

- v) The State Govt. may ensure that connectivity to power, roads accessibility, communication, civic and other infrastructure up to project is provided within 240 days from the date the same is applied for to the concerned department/agency/authority/local body on fulfillment of various terms and conditions required in this regard at such rate/fee etc. which shall not be less favourable to them compared to similarly placed projects/customers.
- vi) High-rise buildings may be allowed subject to clearance from Air Safety Regulations, Fire Safety norms and Traffic Movement.
- vii) Permission under the provisions of Punjab Mines and Mineral Act may be allowed within the project area for the works pertaining to development of the project on payment of requisite charges.
- viii) Permission under the Punjab State Tube well Act, 1954 to dig tube well in the project area for the requirement of the project may be allowed.
- ix) The State Govt. may extend the facility of Public Transport system being run by any State Govt. agency to the project area. The State Govt. may also allow them to operate their own public transport system within the project area and also for connecting the project area to the main urban centres nearest to the project area subject to the fulfillment of required terms and conditions in this regard.
- x) The State Govt. may not allow Polluting Industries in the periphery of the project area up to the distance prescribed by PPCB.
- xi) The State Govt. may assist them in getting any other facility or requirement for the development of the project.

#### **Processing Time for approval of Building Plans and Layout Plans**

1. After the receipt of layout plan, the observations if any shall be conveyed to developer within 7 days (working days).
2. Revised drawings after incorporation of all the observations shall be approved within 7 days (working days) from its receipt.
3. Raising of demand notice for Payment of EDC/ License by concerned Authority to be conveyed to developer within 3 working days from the receipt of approved layout plan from Chief Town Planner.
4. Issue of No Dues Certificate (NDC) shall be issued to developer by concerned Authority within 3 working days from the receipt of demand draft from the developer.

**GRANT OF SPECIAL PACKAGE OF INCENTIVES TO SUPER MEGA PROJECTS**

## GRANT OF SPECIAL PACKAGE OF INCENTIVES TO SUPER MEGA PROJECTS

After detailed deliberations, classification of Super Mega Mixed Use Integrated Industrial Park Projects, Project area break-up, FAR permitted, Standard Conditions and Incentives in their case were approved by the Empowered Committee as per details given below. It was also decided that in addition to these conditions and incentives not specifically mentioned below, but which have been listed in the conditions and incentives for Mega Industrial Park Projects under the Mega Industrial Park Scheme already approved by the Empowered Committee will also be available to Super Mega Mixed Use Integrated Industrial Park Projects.

(i) **Classification**

The projects may be classified into the following three categories on the basis of area of land:-

Category A: 750 acres of land and above

Category B: 500 acres of land and above

Category C: 250 acres of land and above

Land should be contiguous chunk and project should be set up in 60 months.

Projects with less than 250 acres of land will be covered under the normal scheme for mega industrial park projects.

(ii) **Project Area Break-up**

(a) On land zoning basis (where there is sale of Plots in Industrial Pocket)

Category	%age of total area		
	Industrial Pocket	Commercial Pocket	Residential Pocket
A	Minimum 40%	Maximum 25%	Balance Area
B	Minimum 45%	Maximum 20%	Balance Area
C	Minimum 55%	Maximum 15%	Balance Area

(b) Gross acreage on the basis of permitted FSI (where there is sale of FSI of Industrial Pocket)

Category	%age of total area		
	Industrial Pocket	Commercial Pocket	Residential Pocket
A	Minimum 30%	Maximum 25%	Balance Area
B	Minimum 35%	Maximum 20%	Balance Area
C	Minimum 40%	Maximum 15%	Balance Area

(c) Mix of plotted sale and sale of FSI within Industrial Pocket

The Industrial, Commercial and Residential components will be allowed to be developed on pro-rata basis keeping in view the mix of plotted sale of FSI.

(d) Additional activities within the Industrial Pocket may include Convention Centres, Community Centres, Film & Multimedia facilities, High end educational and health care centers, Hotels, Sports facilities (to be identified) and Water bodies (without water games), but not Multiplex or Recreational activities. The extent of additional activities in addition to industry (which may include IT, ITES, BPOs, Software development, Data processing and other industrial activities

defined as such by the government) will be limited to 30% of the total applicable industrial component of the park.

(iii) **FAR**

Category-wise FAR area on the gross project shall be as under:-

Category	FAR
A	3.0
B	2.5
C	2.0

- (a) No purchase of higher FAR than permitted on gross project shall be permissible.
- (b) Common area with no concrete roof shall also be considered as a part of FAR.
- (c) Hospital and Schools shall not be free of FSI and ground coverage.
- (d) Parking shall be free of FSI but a separate Parking Block, if constructed, shall be counted in ground coverage.

(iv) **Conditions**

- (a) Zoning will be as per Town & Country Planning Department norms. However, free zoning will be allowed to all components of the projects.
- (b) Sale of residential, industrial and commercial components will be allowed in equal proportion till the Promoter constructs the minimum industrial space in a period of 60 months, after which the sale of all components will be freely allowed.

Category	Area
A	25.00 lac sq. feet
B	17.5 lac sq. feet
C	10.00 lac sq. feet.

- (c) The provision contained in section 5(9) of PAPR Act, 1995 regarding reserving upto 10% of the area for economically weaker section of society shall be complied with in case of Residential Component of the project.
- (d) There will be requirement of 25% project area ownership at the time of signing of Agreement and 50% ownership at the time of making an application for change of land use. Development Agreements as already allowed under the Industrial Park scheme will also be honoured/ covered in the ownership criteria of the land. For rest of the area, the Promoter may have Agreement to sell with the landowner. Maximum 20% of the land will be acquired by Government in all categories of Industrial Park Projects on the request of the Promoter, if required, to provide contiguity and connectivity
- (e) Golf Course shall not be included in definition of infrastructure.

- (f) To avail the benefits, the project in a particular category must be submitted as a single project and not in parts.
- (g) The project shall be subject to parking norms notified by the Chief Town Planner Punjab.
- (v) Incentives\_**
- (a) Exemption from Stamp Duty as leviable in Schedule 1A of the Indian Stamp Duty Act and Registration charges on first sale/ lease of developed area and building up spaces.
- (b) No CLU charges will be levied on the Industrial component of the Park. However, the developer will pay CLU charges on the residential and commercial components as applicable to the residential plotted category.
- (c) In case of Category 'A' projects, the project will be approved irrespective of its land use position in the draft Master Plan or in or outside the Local Planning Area, till the Maser Plan is finalized. The Master Plan will be prepared or amended keeping in view the approved project of this size after following the due procedure.
- (d) The project land, where CLU has already been granted as part or whole of a project will not be included in the future Super Mega Industrial Park projects.
- (e) If a Promoter proposes to implement a lower category of project, for example 250 acres project (Category 'C'), he will be entitled to the benefits being granted to the Promoter of that size of the project. If, however, he adds another 250 acres of land, he will be granted incentives of 'B' category of project. Similarly, for addition of another 250 acres of land, he will be granted the incentives for 'A' category project for the entire area of the project. These benefits will however be extended only if the additional land is contiguous to the already implemented/ sanctioned project. However, on a different location, if the Developer sets up another project, he shall be allowed concession on License/ Permission Fee applicable to the project of one category higher than the project proposed but no extra concession on EDC of the category higher will be given i.e. if Developer has set up a project of 'A' category anywhere in Punjab and he also sets up project of 'C' category elsewhere in Punjab, then in case of 'C' category project, he will get the concession of License Fee for Category 'B' but on EDC the will get the concession of Category 'C' only. The excess payment already made on account of CLI, EDC and License fee for the implemented/ sanctioned project will be accordingly adjusted against the future payments. However, the entire project including the extended area should be set up in 60 months from the date of signing of agreement with the State Government for initial project.
- (f) In a large project, the Developer is going to pay for the part of external development works himself. Thus, the liability of carrying out external development works shifts from the Government/ Authority to the Developer partially. The higher the size of the project, the higher is the shifting of

liability from the State/ Authority to the Developer. Therefore, reduction in rates of EDC and License Fee charges shall be granted to such projects as under:-

Category	%age of concession	
A	50	75
B	37.5	55
C	25	35

However, 5% of the total amount payable by the developer on account of EDC and License fee shall be levied as Health & Social Security fund and recovered in addition to the EDC & License Fees. This amount will be deposited in a separate fund to be established by the State Government for Health & Social Security Schemes.

The terms of payment (installments, rate of interest, penal charges, bank guarantee etc.) for payment of license fee shall be the same as in case of EDC prescribed under PAPRA, 1995.

- (g) The rates of EDC, License Fee and CLU charges will be as per the different components in the Park and depending upon the potential zone in which the Park falls. Where a piece of land falls in more than one potential category, the proportionate rate of fiscal charges for each category shall apply.

**Note: for detailed information regarding Landuse as per Master Plan proposal, Charges, general building requirements, parking norms, site coverage, FAR, setbacks etc; please refer Urban Development Policies in Punjab Vol. I & II prepared by Town & Country Planning department, Punjab or visit PUDA website [www.puda.gov.in](http://www.puda.gov.in)**