

Government of Punjab
Department of Industries & Commerce
(Industries Branch)

1) Scheme for change of land use for Industrial park/estates/ agro parks/IT parks/ multiplexes

Introduction :

No. CC/JDP/IP-2003/CLU/1020-A Clause 10.4 of the Industrial Policy 2003 notified vide No.5/58/2002/11B/968 dated 26.3.2003 interalia provides for measures to encourage private sector investment in development of industrial parks / estates / agro parks / IT parks and for development of integrated multiplex complexes.

Now, therefore, to facilitate the aforesaid provisions of the Policy, the Governor of Punjab is pleased to notify the scheme for change of land use for industrial parks / estates / agro parks / IT parks / multiplexes as under:-

1. ALLOTMENT OF LAND FOR INDUSTRIAL PARKS / ESTATES / AGRO PARKS / IT PARKS.

- (a) The minimum quantum of land for any such park shall be 10 acres.
- (b) A minimum of 60% of area will have to be developed as an industrial pocket, 30% of area will be developed as a residential pocket and 10% of the area will be developed as commercial pocket. Government in the Department of Industries may however, reduce the permissible limits for non-industrial use in particular cases, while offering the land for allotment.
- (c) FAR and ground coverage will be as per applicable byelaws / regulations in the area.
- (d) The zoning and layout plan will be cleared by a competent authority declared by the Director of Industries & Commerce, Punjab.
- (e) Permissible saleable area in the industrial pocket shall be 65%, in the residential pocket 60% and for the commercial pocket 40%. Balance area shall be used for common facilities, open spaces, green belt etc., as per approved zoning plan and as per applicable byelaws.
- (f) Land for development of such industrial parks will be allotted by auction or any other suitable process of competitive bidding. The reserve price for such allotment will be equal to the allotment price for semi-developed industrial land in the relevant industrial estate. However, the successful bidder will have the option to convert a portion of the allotted land to residential / commercial use in accordance with the limits specified above on payment of the difference between allotment / reserve price for residential / commercial land and the allotment price for industrial plots in the particular industrial estate. For example, if an allottee of 10 acres of land chooses to avail of maximum entitlement for change of land use in an estate where the reserve price for allotment of industrial plots is Rs.2000 per sq. yard, for residential plots Rs.4000 per sq. yard and for commercial plots Rs.25000 per sq. yard then the amount payable by him would be calculated as under:-

Land use	Gross areas as per (b)	Plotted area as per (e)	Price difference per sq. yard.	Total chargeable amount (Rs.)
Residential	3 acres	8712 sq. yd.	Rs.2,000	174.24 lakh
Commercial	1 acre	1936 sq. yd.	Rs.23,000	445.28 lakh
Total				619.52 lakh

(g) The successful allottee will have to exercise the option to change the land use within 60 days of the allotment and make payment of the amount due within a further period of 30 days. The Corporation / Authority allotting the land may, however, allow payment of this amount in instalments.

(h) Government reserves the right to allot land for industrial parks at reserve price for projects of special significance.

2. PERMISSION TO EXISTING INDUSTRIAL LAND / PLOTS TO CONVERT INTO INDUSTRIAL PARKS / ESTATES / AGRO PARKS / IT PARKS.

a) All the terms and conditions as applicable in case of fresh allotment as given under Clause 1 above shall be applicable in this case.

b) Conversion will only be allowed where the industry was established on the concerned land / plot and remained in production for atleast 5 years. However, any industry which commenced production but has been closed due to any court order or Government order or has been declared sick by BIFR can also be considered for conversion in relaxation of the condition of being in production for 5 years.

c) Conversion fee shall be payable to the authority / organisation which allotted the plot. In case where land has been acquired on behalf of industry by the Department of Industries, or where the allotment has been made by the Department of Industries, conversion fee shall be payable to the Director of Industries, Punjab. Conversion fee will not be payable in respect of plots originally acquired by the entrepreneurs through private negotiations provided they do not fall in any of the following categories:-

- i. Plots on land acquired and developed by the Government, a local authority or a semi Government body;
- ii. Plots reserved for industrial use in a sanctioned master plan; and
- iii. Plots reserved for industrial use in an industrial park/estate/IT Park etc. developed by an entrepreneur under this policy.

c) The conversion fee shall be calculated in the manner laid down in Para 1(f) above depending on the quantum of land put to residential/commercial use.

d) If the conversion is allowed, any other fee etc. chargeable by any other Government agency or local body or statutory authority shall be payable by the owner of the industrial plot as required by relevant laws.

e) In lieu of conversion fee, the allottee will have the option to surrender / transfer 50% of land converted to non-industrial use free of cost back to Industries Department or the authority that

originally allotted the land. The land to be surrendered shall be so located that it has at least 20 yards of front opening and direct access on a road, which is not less than 40' wide. As an illustration, if any body has 10 Acres of land and intends to get permission for development of Industrial Park in 10 acres, then as per table in para 1 (f) he is required to pay Rs. 619.52 lacs for change of land use as conversion charges. He however, under this clause will have to surrender land to the extent of 1.5 acres on account of residential and 0.5 acres on account of commercial land free of cost. He would then be left with 6 acres of Industrial, 1.5 acres of residential and 0.5 acres of commercial land in which he will have to develop Industrial Park.

- f) The conversion charges will be payable within 30 days from the date of the conversion is allowed. The Corporation / Authority allotting the land may, however, allow payment of this amount in instalments.
- h) Industrial Parks developed under this Policy will have the benefit of concessions under Para 10.4 of the Industrial Policy 2003.

3. CONSTRUCTION OF MULTIPLEXES ON INDUSTRIAL PLOTS

Construction of Multiplex on Industrial plots will be allowed subject to the following:-

- (a) Land required for a Multiplex shall be atleast 4,000 sq. yards and shall not be more than 3 acres. Balance land still available with allottee over and above the area of land which has been allowed for multiplex, can be used for establishing non-polluting and non-hazardous industry or the same can be used for parking and green belt.
- (b) FAR and Ground coverage will be as per applicable byelaws in the relevant industrial estate.
- (c) If the land use change is allowed, the existing allottee shall have to pay conversion charges equal to the difference of auction price of chunk commercial land in similarly situated area and current allotment price for an industrial plot in similarly situated area.
- (d) Conversion shall only be allowed for a Multiplex if the proposed plot has direct access on a road not less than 80 ft. wide with a road frontage of not less than 100 ft. These conditions may, however, be relaxed on the recommendation of the District Level Committee under the Chairmanship of Deputy Commissioner constituted under the scheme for Development of Multiplex Complexes notified vide No.5/58/2002/5IB/2725 dated 8.9.2003, provided that the Committee is satisfied about the safety measures, traffic movement in the area, circulation area and other related issues.
- (e) In lieu of conversion charges the allottee will have the option to surrender equivalent land free of cost from the same plot to the authority that originally allotted the 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.
- (f) The conversion charges will be payable within 30 days from the date the conversion is allowed. The Corporation / Authority allotting the land may, however, allow payment of this amount in instalments.
- (g) The permission shall only be granted if the industrial plot is located beyond 500 meters from any existing or proposed red category industrial unit as defined under Notification No.Admn.1A-2/F No.178/94/176 dated 9.11.1994 of Punjab Pollution Control Board and any existing or proposed hazardous industrial unit as defined under the Factories Act.

- (h) If the conversion is allowed any other fee etc. chargeable by any other Government agency or local body or statutory body shall be payable by the owner of the industrial plot as required by the relevant laws.
- (i) Conversion fee shall be payable to the authority / organisation which allotted the plot. In case where land has been acquired on behalf of industry by the Department of Industries or where the allotment has been made by the Department of Industries conversion fee shall be payable to the Director of Industries, Punjab. Conversion fee will not be payable in respect of plots originally acquired by the entrepreneurs through private negotiations provided they do not fall in any of the following categories: -
- (j) Plots on land acquired and developed by the Government, a local authority or a semi Government body;
- (ii) Plots reserved for industrial use in a sanctioned master plan; and
- (iii) Plots reserved for industrial use in an industrial park/estate/IT Park etc. developed by an entrepreneur under this policy.
- (k) The word "Multiplex" shall have the same meaning as defined in Multiplex Policy of Department of Industries, Government of Punjab issued vide Notification No.5/5B/2002/5IB2025 dated 8.9.2003.
- (l) Transfer of the area for which change of land use is allowed shall be permitted without charges in favour of a special purpose vehicle for implementing the project provided that original allottee has more than 50% shares in the special purpose vehicle. In other cases normal transfer charges will be levied in addition to the conversion fee / surrender of land.

4. UTILISATION OF MONEY RECEIVED BY WAY OF CHANGE OF LAND USE

The Allotting Authority will maintain a separate account of amounts received for permitting the Change of Land Use under Paragraph 1(f), 2(g) or 3(c) and the net sale proceeds of land surrendered under paragraph 2(f) and 3(c). This amount will be credited to a separate Fund meant for development of Industrial Infrastructure. Modalities of this Fund will be conveyed to the concerned agencies separately.

5. Principal Secretary Industries & Commerce shall be competent to interpret / issue clarifications in respect of provisions of this scheme.

S.C. Agrawal
Chandigarh Principal Secretary to Government, Punjab
1st March, 2005 Department of Industries & Commerce

Note : For details please refer to NOTIFICATION Dated Chandigarh, the 4th March, 2005