

1(d) Allotment Policy dated 24.10.2002

GOVERNMENT OF PUNJAB
DEPARTMENT OF INDUSTRIES & COMMERCE
(INDUSTRIES BRANCH)
NOTIFICATION

No 17/18/02-61B/

Dated, the

With a view to accelerate the pace of Growth of Industry in the State and provide quick availability of land to the entrepreneurs, the Governor of Punjab is pleased to notify a new policy for allotment of land in various industrial focal points, as well as allotment of semi developed/developed land under "Off-The-Shelf" scheme in supersession of the notification issued on 10-12-1998.

The allotment policy would be applicable to all the existing and new areas either fully developed / semi-developed for industrial purposes as focal points, Growth Centres, industrial areas, Industrial Estates etc., by any agency of the Government.

For the purpose of this policy, semi-developed areas shall mean such areas which have been identified exclusively for large and medium scale industries and in which only external skeleton development covering provision of outer roads with street lights, trunk sewer, storm water, drainage and sewerage disposal works have been undertaken by any agency of the State Government.

I. RESERVATION FOR VARIOUS CATEGORIES

"Off-the-Shelf" Scheme	a) All the pieces of land measuring above 2 acres b) 30% of plots of 2500 sq. yards and above upto 2 acres c) 15% of plots measuring 1000 sq yards and above but less than 2500 sq. yards.
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The remaining plots shall be allotted under general scheme having the reservations as follows:-

Allotment to Non resident Indians & Export Oriented Unit	10%
Scheduled Castes	5%
Backward Classes	2%
Ex servicemen/War Widows	2%
Sikh migrants/riot affected victims	1%

Provided further that in case sufficient eligible candidates are not available in the specified reserve category, the un-allotted plots shall be treated as un-reserved and allotted in the General Category.

II. ALLOTMENT UNDER "OFF-THE-SHELF SCHEME"

a) PROCEDURE FOR INVITING APPLICATIONS

The application for allotment of plots under Off the Shelf Scheme would be received in Udyog Sahayak, Department of Industries. Entire Secretarial works such as scrutiny of applications, placing the proposals before the Sub-Committee and the Allotment Committee shall be done by the Udyog Sahayak.

After scrutiny, Udyog Sahayak shall place the applications before a Sub-Committee comprising of the following members:

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|------|---|----------|
| i) | Director of Industries & Commerce | Chairman |
| ii) | Chief Town Planner | Member |
| iii) | Chief Architect | Member |
| iv) | Managing Director,
Punjab Small Industries & Export Corporation | Member |
| v) | Managing Director,
Punjab Small Industrial Development Corporation | Member |
| vi) | Member Secretary, Punjab Pollution Control Board | Member |
| vii) | Chief Co-ordinator Udyog Sahayak | Convener |

b) CRITERIA

The Sub-committees shall examine the applications, keeping in view the following parameters: -

- (a) Viability of the project.
- (b) Impact on environment.
- (c) Technology involved.
- (d) Export earnings.
- (e) Employment generated.
- (f) Qualification and experience.
- (g) Foreign Direct Investment.

The Sub-Committee shall also make assessment of the land requirement of the applicant based on the project report and building plans to be submitted along with applications.

The recommendations of the sub-committee will be placed before the Allotment Committee under the Chairmanship of Minister of Industries & Commerce with following members:

- i) Principal Secretary to Chief Minister, Punjab
- ii) Principal Secretary, Industries & Commerce
- iii) Principal Secretary, Environment
- iv) Principal Secretary, Power
- v) Principal Secretary, Housing & Urban Development
- vi) Principal Secretary, Labour
- vii) Managing Director, Punjab Small Industries & Export Corporation/
Concerned Developing Agency
- viii) Director of Industries & Commerce - Convener

The Allotment Committee may co-opt other Administrative Secretaries/State Government Officials as and when required.

After approval of the Committee. Letter of intent (LOI) shall be issued by concerned developing agency in favour of applicant. LOI holder shall be required to get project appraised regarding techno-economic feasibility from financial institutions/scheduled commercial banks or other public sector

consultants within four months of issue of LOI apart from fulfilling the following pre-requisites.

- i) Obtain NOC / consent from Punjab Pollution Control Board
- ii) Obtain provisional registration with General Manager, District Industries Centre/ SIA registration as applicable
- iii) Obtain SAC cum CSA clearance.

On completion of above requirements, possession of the plot/land shall be offered by the concerned developing agency. The applicant shall be further required to take the following steps within one year from the offer of possession.

- i) Start construction of building and incur expenditure upto 30% of the cost of civil works.
- ii) Place firm order for the purchase of plant and machinery.
- iii) Get the consent of financial institution/banks to advance loan for the proposed project or in case of self financing submit proof of own sources.
- iv) Make application for power connection.

In the event of an applicant failing to take effective steps given above within one year, the letter of intent shall automatically stand lapsed consequent upon which the earnest money would stand forfeited and remaining cost of plot shall be refunded to the applicant. No interest shall be payable on the refundable amount.

However, in those cases where partial effective steps have been taken, an extension in time period for taking effective steps would be permissible initially for the period of three months and subsequently for another three months alongwith payment of extension fee @ 2.5% of the cost of plot. No further extension shall be allowed under any circumstances.

c) ISSUANCE OF REGULAR ALLOTMENT LETTER

In the cases where LOI holder succeed in completing the required formalities of LOI within admissible/extended time period, regular letter of allotment will be issued by the concerned developing agency.

Notwithstanding above, letters of Allotment(s) shall be issued in the first instance instead of LOI under Off the Shelf Scheme in the project involving 100% Foreign Direct Investment (FDI).

d) MODE OF PAYMENT

Earnest money	20% of the cost of plot/land or Rs. 10 lacs whichever is less along with application.
Payment of balance cost of plots/land above 2 acres	Entire balance cost payable within 60 days of LOI.
Payment of balance cost of plots/land upto 2 acres	30% payable within 30 days of LOI. Balance 50% in two half yearly equated installments alongwith interest as applicable or lumpsum payment within 60 days without interest.

e) PROJECT IMPLEMENTATION PERIOD

The allottee shall ensure to commence commercial production after completing construction of factory building within an overall period of three years form the date of offer of possession. However, under exceptional circumstances, the allottee can apply to the allotting agency seeking extension in time period for commencement of commercial production for additional six months upon payment of extension fee @ 6.5 % of the cost of plot.

In the event of failure of the allottee to achieve commercial production within admissible/extended period, the allotment of plot shall be cancelled/resumed. Upon cancellation/resumption, amount equivalent to earnest money shall be forfeited by the developing agency alongwith paid/payable extension fee. Amount over and above thereof shall be refunded to applicant. No interest shall be payable on refundable amount.

f) TRANSFER OF PLOTS

Transfer of plots allotted under "Off the Shelf Scheme"* shall be allowed by the developing agency only after the unit of allottee has attained the stage of production and has remained in production for a minimum period of two years. Transfer shall however, be allowed on:-

- i) Payment of transfer fee equivalent to 20% of original cost plus enhanced cost if any of plot/land and for Industrial purpose only.
- ii) No sub Division/fragmentation/departure from zoning and building byelaws of the concerned developing agency shall be permissible under any circumstances.
- iii) This transfer policy shall also be applicable to the LOI/allotments issued under Off the Shelf Scheme under the policies notified on 24.11.1992, 01.06.1996 & 10.12.1998.

III. GENERAL SCHEME

a) PROCEDURE FOR INVITING APPLICATIONS

Applications shall be invited by Punjab Small Industries & Export Corporation /concerned developing agency through press advertisement. The Developing agency shall undertake scrutiny of the applications, placing proposals before following Sub-Committee, which shall be headed by Industrial Advisor-Cum-Additional Director of Industries.

- i) Joint Managing Director, Punjab Small Industries & Export Corporation.
- ii) Representative Corporation of Managing Director, Punjab Financial Corporation
- iii) Representative of Managing Director, Punjab State Industrial Development Corporation.
- iv) Representative of Punjab Pollution Control Board.
- v) General Manager, District Industries Centre Concerned
- vi) Representative of Managing Director, Electronic Corporation.

- vii) Representative of Managing Director, Punjab Agro Industries Corporation.
- viii) Officer Incharge of the concerned Developing Agency Convener.

The Sub-Committee shall undertake the preliminary scrutiny and make recommendations to the Allotment Committee having regard to requirement of land and eligibility of applicants keeping in view the parameters given under II (b) above.

b) ALLOTMENT COMMITTEE

Allotment of plots up to 2 acres, excepting under "Off the Shell Scheme" shall be made by the Allotment Committee consisting of the following:-

- i) Director of Industries & Commerce, Punjab Chairman
- ii) Managing Director.
Punjab Small Industries & Export Corporation
- iii) Managing Director
Punjab State Industries & Development Corporation
- iv) Managing Director.
Punjab Financial Corporation
- v) Chairman/Member Secretary
Punjab Pollution Control Board
- vi) Industrial Advisor-cum-Additional Director of Industries
- vii) Nominee of the developing agency Member Secretary

The Allotment Committee shall make allotment of plots after considering the recommendation of Sub Committee.

The decision of the allotment Committee on applications for allotment of plots shall be final and no appeal shall lie against it. The Allotment Committee would meet as and when required and devise its own procedure for conducting the business.

c) **MODE OF PAYMENT**

Earnest Money	10% cost of plot payable along with application.
Down Payment	30% cost of plot payable within 30 days of allotment.
Balance cost	60% cost of plot payable in 6 half yearly equated installments along with applicable interest. <p style="text-align: center;">OR</p> In lump sum (without interest) within 60 days of allotment. 10% rebate on balance 60% cost shall be permissible in case of lump sum payment

d) **PROJECT IMPLEMENTATION**

After the decision of allotment by the competent Allotment Committee in favour of an applicant, the concerned developing agency shall issue regular letter of allotment. The allottee shall be required to start construction and ensure to bring the unit into commercial production within an overall period of three years from the date of allotment.

In the event of an applicant failing to bring the unit into production within prescribed period, the allotment of plot shall be liable to be cancelled, consequent upon which the earnest money deposited shall stand forfeited. Remaining cost of plot shall be refunded to the applicant, on which no interest shall be payable by the developing agency.

e) **EXTENSION FEE**

Consequent upon the expiry of initial three years permissible period and failure to achieve the commercial production, the allottee may seek extension in time period for bringing the unit into production by making payment of extension fee @ 5% of the cost of plot/land for 4th year or part thereof and 7.5% of the cost of plot for 5th year or part thereof.

In no case extension shall be allowed beyond five years and on expiry of it, the plot shall be cancelled by the developing agency without any further

notice. In the event of cancellation, the earnest money, extension fee, if any paid/payable by the allottee shall stand forfeited. The remaining amount shall be refunded to the allottee on which no interest shall be payable by the developing agency.

f) TRANSFER OF PLOTS

Transfer of plots shall be allowed by the developing agency on payment of transfer fee as under:

- i) In case the allottee does not commence production within permissible period and seeks transfer of plot, the same would be allowed on payment of transfer fee equivalent to 10% of the original cost plus enhanced cost if any of the plot. This shall be exclusive of extension fee paid/payable under rule III (e).
- ii) In case unit of the allottee commences production within the permissible period, the transfer of plot would be allowed on payment of transfer fee equivalent to 5% of the original cost + enhanced cost if any of plot This shall be exclusive of extension fee paid/payable under rule III (e)
- iii) However, for subsequent transfers, fee shall be leviable as under:

Area	Transfer Fee per sq. yard
Focal Point(s) Mohali, Derabassi, Rajpura, Amritsar, Jalandhar, Ludhiana and Khanna.	Rs. 20/- per square yard in lump sum plus Rs. 3/- per square yard per year from the date of last transfer.
All other focal points excepting above	Rs. 10/- Per square yard in lum sum plus Rs. 3/- per square yard per year from the date of last transfer.

- iv) Above transfer fee/policy shall also apply to the letters of intent/allotment of plots, which had been issued prior to the enforcement of this policy. In such cases the concerned developing agency shall issue the regular transfer letters in favour of intending transferee containing detailed terms and conditions of allotment after receiving the applicable transfer fee.

Chandigarh, the
11-10-2002

Mukul Joshi
Principal Secretary to Govt. of Punjab,
Department of Industries & Commerce.

Endst.No.17/18/02/61B/

Dated:

A copy is forwarded to the Controller Printing & Stationary, Punjab, Chandigarh, with a spare copy of Notification, with the request that the above Notification may kindly be got published in the Punjab Government Gazette (Extra Ordinary) and 100 spare copies of the printed Notification may be sent to this office for record.

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(Amrit Lal Garg)
Additional Secretary

Endst. No. 17/18/02-61B/ 4132

Dated: 24/10/02

A copy is forwarded to the following for information and necessary action:

- i) Director of Industries & Commerce, Punjab, 17 Bays building, Sector 17, Chandigarh,
- ii) Managing Director, Punjab Small Industries & Export Corporation, Udyog Bhawan, Sector-17, Chandigarh.
- iii) Managing Director, Electronic Corporation Punjab, Udyog Bhawan, Sector-17, Chandigarh.

-sd-
(Kashmir Singh Pannu)
Superintendent