

**GOVERNMENT OF PUNJAB**  
**DEPARTMENT OF HOUSING & URBAN DEVELOPMENT**  
**(HOUSING-2 BRANCH)**

Notification

The 8 September, 2016

No. 17/17/01-5hg2/ <sup>836008/1</sup> Whereas after partition of the country in the year 1947, the Govt. of Punjab and its agencies had set up a number of Industrial Focal Points/ Industrial Urban Estates in urban areas to boost the economy of the State. Over a period of time with the expansion of urban areas, the present location of these Industrial Focal Points/ Industrial Urban Estates having densely populated areas around them has become unsuitable from traffic and environmental point of view. Further the increased land prices of urban properties have lured a number of plot owners to convert their industrial plots to non industrial uses illegally without following the stipulated norms of parking and public safety for building construction.

Whereas the Govt. of Punjab realizing the situation had framed a policy vide Notification No. 17/17/2001/5Hg/311 dated 11.01.2008 for conversion of industrial plots falling in Industrial Focal Points/ Industrial Urban Estates set up by the Govt. or its agencies for conversion from industrial use to non industrial use. This policy was further amended vide Notification No. 17/17/2001/5Hg2/TF/3031 dated 20.08.2013, but the policy could not achieve the desired results.

Therefore, with a view to make this policy more effective and suitable, to stop unauthorized conversion in these areas and for the redevelopment of Industrial Focal Points/ Industrial Urban Estates according to the present day needs, the Governor of Punjab is pleased to frame a new policy for conversion of industrial plots falling in Industrial Focal Points/ Industrial Urban Estates set up by the Govt. or any of its agencies to hotel, hospital and industrial parks as given below. The previous policies notified vide Notification No. 17/17/2001/5Hg/311 dated 11.01.2008 and further amended vide Notification No. 17/17/2001/5Hg2/PF/3031 dated 20.08.2013 shall further stand amended to this extent.

**1. APPLICABILITY:**

This policy shall be applicable to the conversion of only those industrial plots which are located in;

- (i) Any industrial focal point/industrial estate set up by Government or any of its agencies.
- (ii) Conversion of industrial plots falling in private industrial parks for hotel and hospital purpose only as these activities are already considered as industry for fiscal incentives.

This policy shall come into force from the date of its notification.

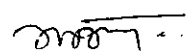
**2. ELIGIBILITY:**

The industrial plots which have been allotted for setting up of an industry atleast **five years** prior to the date of submitting application under this policy shall be eligible for conversion to hotel, hospital and industrial park purpose.

**3. HOTEL AND HOSPITAL:**

Hotel and hospital being service providers in the field of hospitality and health respectively have been defined as Industry for providing fiscal incentives to these activities. Hence in the industrial focal points/ industrial estates developed by Government or its Agencies where the land use of the plot is industry, the conversion of the industrial plots may be allowed subject to the fulfillment of following conditions:-

- (i) The plot in case of industrial focal point/ estate which has been allotted by the Industrial Department/ PSIEC/ Special Development Authority/ PUDA or any other Government agency or the industrial plot located in private industrial park will be allowed for conversion subject to fulfillment of eligibility conditions.
- (ii) Since the conversion of industrial plots to these uses will require higher level/ up-gradation of the existing infrastructure in industrial focal point/ estate, hence the owner shall pay conversion charges as fixed under this policy by the Government or as amended from time to time.



- (iii) The hotel and hospital shall be allowed only on those industrial plots where there is no existing red category industry falling within 100 meters.
- (iv) The decision to allow conversion of the industrial plot for setting up of hotel or hospital will be taken after considering the objections, if any.
- (v) In case any red category industry is planned to be set up within 100 meters after such hotel/ hospital has come up then a minimum 15 meters wide green buffer of broad leaf trees will have to be provided by the industrial unit on the side to which such hotel or hospital has come up.
- (vi) The norms/ guidelines of Punjab Pollution Control Board shall be applicable for the conversion of industrial plots to hotel/ hospital purpose.
- (vii) Basement/ stilt parking shall be compulsory for all plots converted into non-industrial purpose.
- (viii) Maximum up to 10% of the total FAR of Hotel site can be used for commercial purpose within the hotel building envelop itself, in case of Hotel with Five star rating.
- (ix) The following development norms shall be applicable for conversion of industrial plots to hotel/ hospital;

**4. DEVELOPMENT NORMS FOR HOTEL, HOSPITAL:**

Sr. No.	Minimum approach road width	Minimum plot area (in sq yds)	Minimum frontage (in feet)	Maximum ground coverage (in %)	FAR Hotel/ Hospital	Other building controls
1	40'-0"	1000 - 4840 (1 acre)	60	40	2.0/1.5	As per PUDA Building Rules or as amended from time to time.
2	60'-0"	4841 - 9680 (2 acre)	75	40	2.50/1.75	
3	80'-0"	Above 2 acre	90	45	3.0/2.25	

**5. CONVERSION CHARGES FOR HOTEL/ HOSPITAL:**

The Conversion charges as calculated by the formula given below shall be payable by the promoter:

$1/4^{\text{th}}$  of (collector rate per square yard of residential use in that area/ sector minus collector rate per square yard of industrial use in that area/ sector)

**6. INDUSTRIAL PARK:**

The conversion of an Industrial plot to Industrial Park shall be allowed subject to the following conditions:-

- (i) The minimum quantum of land for any such park shall be 10 acres.
- (ii) A minimum of 50% of area of the plot will have to be developed as Industrial and the remaining 50% area may be used for residential/ commercial/ institutional purpose. The hotel and hospital activity shall be permissible in the industrial component of the park provided that the promoter has to pay the conversion charges as fixed under this policy for hotel/ hospital activity.
- (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 layout/ zoning plan.
- (iv) FAR and ground coverage will be as per applicable byelaws/ regulations for each component of the park. The FAR of one component cannot be transferred to any other component. However, higher FAR may be allowed on payment as per policy of the Department of Housing and Urban Development.
- (v) The Industrial Park may have residential (Group Housing only), Commercial and Institutional components only and the conversion charges shall be payable component wise as proposed in the Industrial Park.
- (vi) The Entrepreneurs shall have to first develop industrial estate and at-least 50% industrial plots will have to be ready for possession before the commercial and housing facilities are allowed to be used/ sold/ allotted/ rented/ leased etc.

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- (vii) Industrial Parks with a residential component (Group Housing only) shall have only green category units and distance between industrial area and other areas will be in accordance with norms/ guidelines issued by Punjab Pollution Control Board 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.
- (ix) An 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 & contiguity of the park.

7. **DEVELOPMENT NORMS FOR INDUSTRIAL PARK:** The following development norms shall be applicable for conversion of industrial plots to Industrial Park:

Sr. No.	Minimum plot area	Minimum approach road width	Building Controls
I	10 acres	80'-0"	As per PUDA Building Rules or as amended from time to time.

**Note:** An industrial plot abutting on 100' wide road or above which has been applied for conversion under this policy shall be permitted entry/ exist from this road subject to other eligibility conditions.

8. **CONVERSION CHARGES FOR INDUSTRIAL PARK:**

The Conversion charges as calculated by the formulas given below shall be payable by the promoter:

**A. Flatted Residential:**

Collector rate per square yard of residential use in that area/ sector minus collector rate per square yard of industrial use in that area/ sector.

**B. Commercial:**

$2/3^{\text{rd}}$  of (collector rate per square yard of commercial use in that area/ sector minus collector rate per square yard of industrial use in that area/ sector).

**Note:** The conversion charges so calculated shall be payable on maximum permissible 40% ground coverage of the site so that the promoter/ owner does not have to pay conversion charges for remaining 60% of the site area meant for parking/ pavement of vehicles etc. Conversion charges equivalent to 40% ground coverage of the site shall be payable even if the promoter/ owner avails less than 40% ground coverage.

**C. Institutional:**

$1/10^{\text{th}}$  of (collector rate per square yard of residential use in that area/ sector minus collector rate per square yard of industrial use in that area/ sector).

In case the collector rate of the same use is not available in a particular sector/pocket of the area, in that case, the collector rate of the land under conversion for a particular land use shall be determined by the following committee:

Financial Commissioner Revenue

**Chairman**

Principal Secretary Industries

Member

Principal Secretary Housing and Urban Development

Member

**9. PAYMENT SCHEDULE:**

**(A) (i) Hotel/ Hospital (falling under Govt. Industrial Focal Points/ Estates):**

25% of the total charges shall be payable in lump sum which will be deposited in government treasury, 5% of the total charges shall be deposited in lump sum with Chief Administrator PUDA, Mohali as "Social Infrastructure Fund" and further 20% of the total charges shall be payable out of which 40% will be deposited with the concerned Local/ Development Authority and 60% with the government department/agency who has allotted the concerned industrial plot at the time of approval of conversion as first installment.

The remaining 50% of the total charges shall be payable as second installment at the time of approval of building plans or within one year whichever is earlier. Beyond the period of one year 12% simple rate of interest shall be payable on balance amount. Out of this amount 40% shall be deposited with the concerned Local/ Development Authority and 60% with the government department/agency who has allotted the concerned industrial plot.

**(ii) Hotel/ Hospital (falling under Private Industrial Parks):**

The owner of the plot has to pay back the subsidy availed on the plot if any, to the Govt. with 12% simple rate of interest. In addition to this, the plot owner has to pay conversion charges as fixed for hotel/ hospital category under this policy. Out of the total conversion charges so calculated, 25% shall be payable in lump sum which will be deposited in government treasury, 5% shall be deposited in lump sum with Chief Administrator PUDA, Mohali as "Social Infrastructure Fund" and further 20% of the total charges shall be payable to the concerned Local/ Development Authority in whose jurisdiction the area falls as first installment.

The remaining 50% of the total charges shall be payable at the time of approval of building plans or within one year whichever is earlier as second installment. Beyond the period of one year 12% simple rate of interest shall be payable on balance amount. This amount shall be deposited with the concerned Local/ Development Authority in whose jurisdiction the area falls.

**(B) Industrial Parks:**

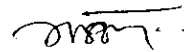
The conversion charges shall be payable in installments as per policy of the Government for PAPRA projects.

**Note:**

- However, 25% of total charges shall be deposited in government treasury in lump-sum in lieu of C.L.U. charges and 5% of the total charges shall be deposited in lump-sum with Chief Administrator PUDA, Mohali as "Social Infrastructure Fund". The balance 70% charges shall be payable in installments as fixed under PAPRA Projects. From each installment 40% of the charges shall be deposited with the concerned Local/ Development Authority as charges for using trunk services to that area/ sector. The remaining 60% charges shall be retained by the government department/ agency who has allotted the concerned industrial plot.
- A dedicated fund for the development of Infrastructure for Industries shall be created by the Government Department/ agency who has allotted the concerned Industrial Plots. The Government will also create alternate Industrial Zones in/ outside areas in Master Plans for the development of Industries.
- The Competent Authority to permit the change of land use shall be the Government in the Department of Housing and Urban Development. The competent authority for the approval of building plans and issue of completion certificate for such projects shall be the Chief Town Planner, Punjab, Department of Housing and Urban Development.

**10. INCENTIVES FOR SHIFTING OF INDUSTRIES OPERATING WITHIN MUNICIPAL LIMITS ON PRIVATE PROPERTY TO DESIGNATED/ PERMISSIBLE INDUSTRIAL ZONE/ AREA OUTSIDE MUNICIPAL LIMITS:**

The industries operating on private properties located within Municipal limits of Towns/ cities shall enjoy the following incentives for voluntary shifting from within municipal limits to designated/ permissible industrial zone/ area outside municipal limits:



- 1) No CLU, EDC or License Fee on the present site if used for plotted residential purposes provided the industry shifts within three years of the date of this notification. If used for any permissible land use other than plotted residential, the difference between CLU, EDC and License Fee of the new land use and plotted residential has to be paid. In case that particular land is put to a land use for which CLU, EDC or License Fee is less than the plotted residential, the difference between these fees / charges for the plotted residential and proposed land use shall not be payable by the Government/ Urban Development Authority.
- 2) If the industry shifts in the subsequent two years of the above mentioned period of three years, it will enjoy 50% discount on CLU, EDC and License Fee on the present site if used for plotted residential purposes. If used for any permissible land use other than plotted residential, the difference between the CLU, EDC and License Fee of the new land use and that of 50% of plotted residential has to be paid. In case that particular land is put to land use for which CLU, EDC or License Fee is less than the plotted residential, the difference between these fees/ charges for the plotted residential and proposed land use shall not be payable by the Government/ Urban development Authority.
- 3) No CLU, EDC or License fee on the new industrial site if the industry shifts within five years of this notification.
- 4) After shifting to the new location, the type of such industry may change.

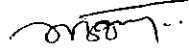
Dated: 05-09-2016  
Place: Chandigarh

Viswajeet Khanna, IAS  
Principal Secretary to Government of Punjab,  
Department of Housing & Urban Development.

Endst. No.17/17/2001-5Hg2/ 836008/2

Dated, Chd: 8/9/16

A copy with a spare copy is forwarded to the Controller, Printing & Stationery, Punjab, SAS Nagar with a request to publish this notification in the Punjab Govt. Gazette (Ordinary) and 100 copies thereof may be supplied to this Department for official use.

  
Special Secretary  
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Endst. No.17/17/2001-5Hg2/P.F./ 836008/3-18

Dated, Chandigarh: 8/9/16

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

1. Additional Chief Secretary, Local Govt., Punjab.
2. Principal Secretary, Industries and Commerce, Punjab.
3. CEO, Punjab Investment Bureau, Chandigarh.
4. Chief Administrator, PUDA, SAS Nagar.
5. Chief Administrator, GMADA, SAS Nagar
6. Chief Administrator, JDA, Jalandhar.
7. Chief Administrator, PDA, Patiala.
8. Chief Administrator, ADA, Amritsar.
9. Chief Administrator, BDA, Bathinda.
10. Chief Administrator, GLADA, Ludhiana.
11. Director, Industries and Commerce, Punjab.
12. Director, Town and Country Planning, Punjab.
13. Director, Local Govt., Punjab.
14. Chief Town Planner, Punjab.
15. Superintendent, Cabinet Affair Branch, Punjab Civil Sectt. Chandigarh w.r.t. ID No. 1/204/2016-1cabinet/823148/1 dated 22-08-2016 for information
16. G.M. (I.T.), PUDA, SAS Nagar.

**Superintendent**

Endst. No.17/17/2001-5Hg2/P.F./ 836008/19-21

Dated, Chandigarh: 8/9/16

A copy is forwarded to the following:

1. PS/Deputy CM, Punjab for kind information of Hon'ble Deputy Chief Minister, Punjab.
2. PS/PSHUD, Punjab for kind information of Hon'ble Principal Secretary, Housing and Urban Development.
3. PA/SSHUD, Punjab for kind information of Hon'ble Special Secretary, Housing and Urban Development

**Superintendent**