

Subject: Draft Policy for allotment of sites for corporate offices in GMADA

With the coming up of International Airport, Mohali, various big Entrepreneurs have shown keen interest to setup their Corporate Offices in the vicinity of the International Airport. Such companies prefer developed land to be offered by the Govt. agencies. The setting up of Corporate Offices of the big Corporate will not only generate revenue as well as employment for the State of Punjab but also open up platforms for many other related businesses. As such GMADA does not have any separate policy for allotment of developed plots to private companies for setting up of their corporate offices. Therefore, to encourage the entrepreneurs to set up their offices in the Urban Estates of Mohali, the Governor of Punjab is pleased to notify the following policy for allotment of developed plots by GMADA to Corporate/ Companies for setting up of their corporate offices.

Further the Governor of Punjab is pleased to direct the publication of this policy for the information of the general public in Punjab Government Official Gazette (Extraordinary) as well as on Punjab Government/PUDA's Websites.

OBJECTIVES, STRATEGY & COURSE OF ACTION

Objectives:

The following key objectives are sought to be achieved through this policy:

- Promote private sector investment in the State
- Maximize direct and indirect employment generation opportunities for the youth in the state;

Strategy:

The State Government proposes to achieve the objectives set out in the policy by:

- a) Providing incentives for attracting investment in Technology based Non-Polluting Research & Development Facilities/ firms to set up base and Corporate Offices in the state.
- b) Adopting a clear and transparent policy of allotment of developed plots for setting up of Corporate Offices.
- c) Easing the process of doing business with Government Departments by ushering in reforms

Course of Action:

- a) GMADA shall offer developed plots ranging from 2 acres to 10 acres at strategic locations
- b) Most of the land area is proposed to be utilized for setting up of Corporate Offices of the Company, its associate Companies, Subsidiary companies having minimum 10 percent stake in the applicant's company.
- c) Eligibility criteria for the allotment of plots for corporate offices shall be as prescribed in this policy.

Eligibility Criteria for Allotment of plots**ELIGIBILITY CRITERIA FOR ALLOTMENT OF CORPORATE OFFICES SITES (2 acres to 5 acres)**

The following enterprises will be eligible for consideration as applicants for the allotment in this category:

- i) A Limited Company with turnover of a minimum Rs. 1000 Crore or its equivalent in US dollars per annum in each of the last two years.
- ii) Availability of funds for making investment in the campus to the tune of Rs. 200 Crore over the next 7 years.
- iii) Sufficient numbers of qualified professional staff employed by the Company itself, not counting staff on the rolls of affiliates or sub-contractors etc.

- iv) Plan of action for establishing the proposed services on the site and to make the required investment in a time-bound manner within three years.

**ELIGIBILITY CRITERIA FOR ALLOTMENT OF CORPORATE OFFICES
SITES (5 acres to 10 acres)**

The following enterprises will be eligible for consideration as applicants for the allotment in this category :

- i) A Limited Company with turnover of a minimum Rs. 2000 Crore or its equivalent in US dollars per annum in each of the last two years.
- ii) Availability of funds for making investment in the campus to the tune of Rs. 400 Crore over the next 7 years.
- iii) Sufficient numbers of qualified professional staff employed by the Company itself, not counting staff on the rolls of affiliates or sub-contractors etc.
- iv) Plan of action for establishing the proposed services on the site and to make the required investment in a time-bound manner within three years.

Price of the site:

The price of the plots shall be 100 percent of the prevailing highest residential price in that area.

Note1: Above rates are for 1:2 FAR. However higher FAR can be purchased subject to the Punjab Urban Planning and development Building rules 2018 or as amended from time to time after making the payment in proportion to the 50% of the prevailing land rates fixed by GMADA at the time of purchase of additional FAR.

Procedure for Allotment of Plots

Lease cum sale:-

Initially all plots will be allotted on lease basis for a period of 7 years (as given under head Mode of Payment) where the applicants should complete the building construction as given under head Construction period, Extension time, Transfer of Ownership and Other General conditions. Then only after the expiry of lease period and receipt of full cost of the plot as lease money as well as the fulfillment of norms, the plots can be converted to free hold after payment of the processing fee fixed by GMADA at the time of conversion of plot. The procedure for allotment of sites shall be by way of online bidding. The scrutiny of the papers of the highest bidder shall be done by the committee constituted by the Chief Administrator, GMADA. In case, the documents of the highest bidder are not in order and the highest bidder does not qualify then option will be given to the second highest bidder.

Mode of Payment

These sites shall be allotted on Lease cum Free hold sale basis, for which payment shall be made as under:

1. Lease money for the first year equivalent to the 15% cost of the plot shall be payable within 30 days from the date of issuance of LOI.
2. Lease money equivalent to the 10% cost of the plot alongwith interest on the balance amount @ 12% per annum shall be payable yearly from the date of issuance of allotment letter for the next 6 years.
3. Lease money equivalent to the balance 25% cost of the plot alongwith interest on the balance amount @ 12% per annum shall be payable in the 7th year from the date of issuance of allotment letter.
4. If the lessee makes the lump sum payment of entire lease money amount within 60 days from the date of issuance of allotment letter, a rebate of 5% on this amount shall be given.

5. If the lessee fails to make the payment of lease money as per schedule given in the allotment letter penal interest shall be charged @ 1% irrespective of the period of default of payment alongwith 12% normal rate of interest.
6. After making the lease money, equivalent to the cost of the site as well as fulfillment of the norms, lessee can apply alongwith the processing fee fixed by the GMADA for conversion of allotment of site from lease hold to free hold basis. No lease money shall be charged for the year in which lessee applies for conversion of plot into free hold basis if the application is received within 90 days from the expiry of lease of previous year.
7. In case the lessee does not get the site converted into free hold basis, lease money equivalent to 1% of the cost of the plot shall be payable beyond 7 years.

Payment Schedule for balance 85% amount

Due date for payment of balance lease amount alongwith interest	Lease Amount
Before the completion of one year from the date of issue of allotment letter	Equivalent to 10% of the cost of the plot + 12% interest on the remaining 85 % amount
Before the completion of two years from the date of issue of allotment letter	Equivalent to 10% of the cost of the plot + 12% interest on the remaining 75 % amount
Before the completion of three years from the date of issue of allotment letter	Equivalent to 10% of the cost of the plot + 12% interest on the remaining 65 % amount
Before the completion of four years from the date of issue of allotment letter	Equivalent to 10% of the cost of the plot + 12% interest on the remaining 55 % amount
Before the completion of five years from the date of issue of allotment letter	Equivalent to 10% of the cost of the plot + 12% interest on the remaining 45 % amount
Before the completion of six years from the date of issue of allotment letter	Equivalent to 10% of the cost of the plot + 12% interest on the remaining 35 % amount
Before the completion of seven years from the date of issue of allotment letter	Equivalent to 25% of the cost of the plot + 12% interest on the remaining 25 % amount

Note: Grace period of 10 days from due date is given for making payment of lease money. However if the lease money is not paid within the grace period interest for the whole month shall be charged.

8. After the completion of 7 years and full payment of the plot is made, the site can be converted on free hold basis and the lease paid shall be adjusted towards the cost of site. However Processing fee @ Rs. 5 Per Sq yd shall be charged for all sizes of plots.

Note: The expenses on stamp duty, registration fee, taxes etc shall be borne by the lessee/allottee.

Construction period, Extension time, Transfer of Ownership and other General Conditions

Construction period The lessee shall be required to bring the office into operation within 3 years from the date of taking over of possession of site. Lessee shall have to take possession of the site within 30 days of the issuance of letter of Intent and after the receipt of 15% of the total price of the plot as lease money. In case the lessee fails to take possession, Letter of Intent shall be cancelled after giving 30 days notice. If the delay for taking possession is on some genuine ground, time period for taking possession can be extended maximum upto 60 days by the Chief Administrator, GMADA.

Extension in Time & Fee

- a) The period for implementation of the project shall be extendable for one year, i.e. after 3 years from the date of issue of allotment letter, on payment of extension fee calculated @ 7.5% of the allotment price of plot, subject to the lessee having completed the entire building structure including the roof, as per sanctioned plan.
- b) Second extension of implementation period for additional one year for commencement of operation i.e. after four years from the date of issue of allotment letter), shall be allowable on payment of extension fee calculated @ 10% of the allotment price of the plot in case the lessee has completed the construction mentioned in clause (a) above.

- c) The lessee shall apply for the first and second extension, as the case may be, in the prescribed format, filling complete information on the eligibility criteria as well as various steps taken by the lessee along with Demand Draft for the applicable extension fee and submit the same to developing agency before the expiry of the stipulated period, the developing agency shall satisfy itself on the merits of the case and convey its decision with regard to extension with 30 days. In case no application/request is received in time from the lessee for extension for implementation of the project then the lease agreement shall automatically stand cancelled/withdrawn. The payment deposited by the lessee towards the price of plot would be refunded (without interest) by the developing agency after deducting/forfeiting 30% of the price of the plot. The extension fee paid/payable shall be forfeited. Action shall be taken by the GMADA to resume the plot/site and take possession in terms of allotment letter/lease agreement.

Transfer of Ownership

- (a) i) Lease shall not be transferable except in cases of death or insolvency of an lessee duly declared. Transfer of lease will be governed by the provisions of this policy and the transferee will only step into the shoes of original lessee.
- ii) Transfer of lease shall be permissible only after execution of lease deed.

(b) Transfer of lease

A lease executed under this policy shall be allowed to be transferred in the following circumstances:-

- (i) In case of individual lessee/allottee, there is a change of ownership by way of sale/agreement to sell or otherwise;
- (ii) In case of partnership firms and Limited Liability Partnerships (LLP), the share of original partner(s) falls below 51%, except in the case of death of a partner which shall be dealt under clause (e) hereunder;

- (iii) In the case of Private Limited Companies, where the majority stake (51% or above) gets transferred through exit of the shareholders at the time of allotment and/ or induction of new shareholders and the share of the original remaining shareholder(s) is diluted below 51%;
- (iv) In the case of a Government Company, the change in ownership through disinvestment of shareholding of 51% or more or by way of divestment;

(c) **Eligibility criteria for the Transfer**

- (i) Transfer of plots allotted under this policy shall be allowed by the GMADA only after 3 years of Commencement of operation by the original allottee and submission of valid proof thereof and after execution of lease deed.

(d) **Transfer Fee**

Transfer of plot shall be allowed only by the GMADA by charging transfer fee @ 5% of the current reserve price of the plot/land fixed by the GMADA at the time of transfer.

(e) **Transfer of Lease/Allotment without payment of transfer fee**

- (i) Transfer by way of inheritance or change in constitution within family or through a will testating the property within the family members of the lessee/allottee covering father, mother, wife husband, son, brother sister, daughter, grandson and granddaughter.
- (ii) Succession due to death of lessee/owner/allottee/partner/share holder;
- (iii) Transfer made in favour of group companies as defined in The Competition Commission Act, as the case may be. Such transfers shall be done by the Allotment Committee headed by the Chief Secretary, Punjab subject to the condition that the transferor and the transferee meet the requirement of being group companies.

(iv) Transfer in favour of a subsidiary company in which original allottee owns more than 50% shares or change of legal status of a company as a result of merger/de-merger.

(f) **Consequences of unauthorized transfers.**

In case of any unauthorized transfer, the lease/allotment shall stand automatically cancelled / withdrawn and the developing agency shall take recourse to resumption proceedings.

Use of Sites:

The sites and the buildings along with structures thereon shall be used by the allottee, occupiers, tenants or any other users specifically and only for the purposes described in lease/allotment letter. In brief land can be used for the following purposes subject to the condition of letter of intent:-

Sr. No	Purpose	Upto Extent of FAR (1:2)
1.	Corporate Offices	100 %
2.	Residential (for the Employees), Guest House, Commercial such as Canteen/Restaurant/Retail Outlet	Upto 10% of built up FAR
3.	Renting out extra space with the permission of CA , Gmada	Upto 25% of built up FAR

Note: Above facilities are subject to the fulfillment of norms of the zoning of the site.

The building norms shall be in accordance with the prevailing Punjab Urban Planning and Development Building Rules, 2018 or as amended from time to time.

No change of land use shall be permitted.

OTHER TERMS & CONDITIONS

I. Issuance of Letter of Intent & Project Implementation:

(a) Upon receipt of decision of competent authority for allotment of plot, the Estate officer shall initially issue a Letter of Intent and the applicant shall make the payment within 30 days as given in the LOI.

On receipt of amount allotment letter for allotment of site on lease hold basis shall be issued.

- (b) The concerned developing agency shall however in cases where the lessee having taken partial effective steps and on production of valid/genuine reasons of delay may consider extension in time for completing effective steps for a period of additional six months on payment of extension fee @ 2% of price of plot in the first instance and on further payment of extension fee @ 3% of the price of plot for another six months. No further extension shall be allowed under any circumstances.
- (c) In the event of the applicant failing to take effective steps within stipulated/extended period, the lease shall automatically lapse, consequent upon which the lease money equivalent to the 10% of the price of the plot deposited by the lessee shall be forfeited. The balance amount paid by the lessee shall be refunded without any interest and the extension fee paid/payable shall also be forfeited.

II. **Project implementation**

The lessee shall be required to implement the project within a period of three years from the date of issue of allotment letter. In the event of failure of the lessee to operational within this period, the lease shall automatically stand cancelled/withdrawn and the lease deposited by the lessee towards the price of plot would be refunded (without interest) by the developing agency after deducting/forfeiting the amount equivalent to 25% of the price of plot. The extension fee paid/payable shall be forfeited. Action shall be taken by GMADA to resume the plot/site and take possession in terms of allotment letter/lease agreement.

It is further added that the applicant shall construct minimum 25percent of the permissible FAR within three years of the date of possession and shall obtain the Partial Completion Certificate from the Competent Authority.

III. **Completion of project**

The lessee shall get the partial completion certificate of minimum 25% of the permissible FAR within three years from the date of allotment and shall get the final completion of the building within seven years .

IV. Cancellation of LOI and Resumption of site/plot

- (a) No extension in implementation period for commencement of operation beyond the initial period of three years plus additional/extended two years counted from the date of issue of allotment letter, shall be allowed in cases where the lessee has failed to commence operation on the plot within this period,
- (b) In cases, as mentioned at (a) above or unauthorized transfers or use, the lease/allotment letter shall automatically stand cancelled/withdrawn.
- (c) In the event of lease/allotment letter being cancelled/ withdrawn, the lessee shall have to remove the structure at his own expense within 30 days of cancellation and restore the possession of plot to the allotting agency in the condition in which the possession was handed over. In the event of failure to do so, the GMADA shall take possession forthwith and the structure shall become the property of the developing agency. After the expiry of period of 30 days, lessee shall be required to pay the damages equivalent to market rent for the said plot/land till he vacates the premises and will be unauthorized occupant of land and shall not be entitled to claim himself to be the lessee.
- (d) The GMADA shall get the cost of construction of building assessed from approved Valuer/ Chartered Engineer and pay the amount thus arrived to the erstwhile lessee. In such cases, the re-allotment price of the plot will be determined inclusive of the amount so paid by the allotting agency to the erstwhile lessee/allottee.

V. ALLOTMENT OF PLOTS TO GOVERNMENT AND ITS FULLY-OWNED UNDERTAKINGS

Notwithstanding anything contained in this scheme, the allotment of plots to Government Departments and its fully-owned Boards, Corporations, Companies, Societies, Agencies etc. shall be made at the reserve price fixed by the GMADA, with the approval at the competent level.

VI. REVIEW OF RESERVE PRICE

The GMADA reserve the right to review the reserve price of plots at any time.

VII. INTERPRETATION AND APPEALS

For the interpretation of the Policy, the Administrative Secretary, Housing and Urban Development will be the appropriate Authority, whose decision thereon shall be final. Any person aggrieved by the orders passed by the Estate Officer or an officer below estate officer in rank may file an appeal against that order within 30 days to the Chief Administrator, GMADA whose orders shall be final.

**Chief Administrator
(GMADA)**