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From

The Director of Industries & Commerce,
Punjab, Chandigarh.

RC.4/E/2014/CBI/BSBR/BS

To

MR-20704/16

M/s PACL India Limited,
SCO 76, IInd, Floor,
Phase-IX, Mohali.

Memo No.CC/JDP /SMP/PACL/LDH/
Dated, Chandigarh the

6875
27 October 2008

Sub:- Grant of Special Package of incentives to Super Mega Mixed Use Integrated Industrial Park Projects – (Letter of Intent)

Please refer to your letters No.PACL/CHD/MHL/08/58 dated 5.5.2008 and another letter dated 29.5.2008 to set up Super Mega Mixed use Integrated Industrial Park Project under category 'A' at villages Ramgarh, Budhewal, Saibana and parts of Pahrual located on Chandigarh-Ludhiana National Highway, District Ludhiana in an area of 750 acres of land with investment of Rs. 2186 crore. The proposal was considered by the Empowered Committee constituted under Industrial Policy 2003, in its meeting held on 3.9.2008 under the Chairmanship of Hon'ble Chief Minister, Punjab and was approved.

After detailed discussion, the committee accorded approval subject to the condition that the Promoter shall comply with the Master Plan of the area and also comply with the norms of Environmental Clearances as per Policy prescribed by the Punjab Pollution Control Board and the promoter shall be allowed to set only Non – polluting green category industries in the Park as permissible in the approved Master Plan of Ludhiana.

Further, Committee approved the following project area break up, FSI on the basis of gross area of the project, FAR and incentives subject to the fulfilment of conditions mentioned herein under and as laid down under Industrial Policy, 2003 including the condition of minimum fixed capital investment of Rs. 1000 crore.



(i) **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. **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

c. **Mix of plotted sale and sale of FSI within Industrial Pocket**

- a. 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.
- b. Additional activities within the Industrial pocket may include Convention Centres, Community Centres, Film & multimedia facilities, High end educational and health care centres, 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, KPOs, 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.

(ii) **FAR**

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



Category	FAR
A	3.0

- (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.

(iii) Conditions

- a) Land for each project should be contiguous chunk of land and project shall be set up in 60 months.
- b) Zoning will be as per Town & Country Planning Department norms. However, free zoning will be allowed to all components of the projects.
- c) 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

- d) 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.
- e) 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

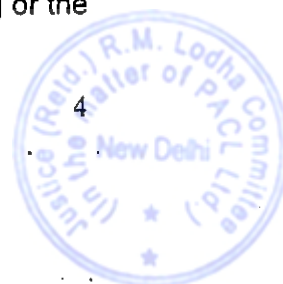


honoured/ covered in the ownership criteria of the land. For rest of the area, the Promoter may have Agreement to sell with the landowner. Maximum 20% of the land will be acquired by Government in all categories of Industrial Park projects on the request of the Promoter, if required, to provide contiguity and connectivity.

- f) Golf Course shall not be included in definition of infrastructure.
- g) To avail the benefits, the project in a particular category must be submitted as a single project and not in parts.
- h) The project shall be subject to parking norms notified by the Chief Town Planner Punjab.
- i) Promoter shall be allowed to set up only Non-polluting Green Category Industries in the Park as permissible in the approved Master Plan of Ludhiana.
- j) Promoter shall comply with the Master Plan of the area and also comply with the norms of environmental clearance as per policy prescribed by Punjab Pollution Control Board.
- k) The Company shall employ Security Personnel from Punjab, trained by State Government Agencies in the unit, wherever required.

In addition to above, following conditions applicable to the Mega Industrial Parks will also be applicable to the above project :-

- l) 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.
- m) 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.
- n) 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.

- o) 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.
- p) 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 guidelines issued by Punjab Pollution Control Board and Department of Housing & Urban Development from time to time.
- q) 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.
- r) 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 byelaws 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.



(iv) Incentives

- (a) Exemption from Stamp Duty as leviable in Schedule 1 A of the Indian Stamp Duty Act and Registration charges on first sale/ lease of developed area and build 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 Master 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 the 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 one category higher will be given e.g. 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 he will get the concession of Category 'C' only. The excess payment already made on account of CLU, 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) Reduction in rates of EDC and License Fee charges shall be granted to the projects as under:-

Category	%age of concession	
	EDC	License Fee
A	50	75

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 (instalments, 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.

In addition to above, following incentives admissible under the Mega Industrial Park Scheme will also be available to the above project: -



- (h) 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.
- (i) 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.
- (j) Permission under the provisions of Punjab Mines & Mineral Act shall be allowed within the project area for works relating to development of the project. However, due charges as may be applicable under the relevant law will be payable.
- (k) 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.
- (l) 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.

- (m) The State Government shall not allow hazardous industry as defined under Factories Act within 500 metres of the project area and industrial plots within the Industrial Park shall also not have any hazardous industry.
- (n) 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.
- (o) 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.

It was decided that above concessions will be admissible subject to the condition that land shall be contiguous chunk and the project will be set up in 60 months by the promoter.

Rest of the concessions listed in the agenda and requested by the company were considered and not approved

Any benefits / incentives, if provided by the Government shall be withdrawn by State Government in case the Super Mega Mixed Use Integrated Industrial Park is not put up / developed within the prescribed time period. The Government shall also be entitled to recover the monetary cost of the reliefs / concessions / incentives, if availed by the Promoter in the event of failure on the part of the Promoter to fulfil its obligations as prescribed in the Agreement signed with the Government. These shall be recovered as arrears of land revenue by the Government.

It is further intimated that agreement as per draft enclosed, is to be signed by your company (through authorized Director / Managing Director) with State Government after fulfillment of the following conditions within a period of six month from issuance of this LOI, failing which the LOI will lapse:-



- i) In Principle approval of the financial Institution / Bank for funding the project may be submitted. If the Project is to be set up entirely with own funds, the details of financial resources may be provided.
- ii) Submission of proof of ownership of land of 25% of the project area in accordance with condition no (III)(e) above.


Joint Director (Policy)
for Director of Industries & Commerce, Pb.

Encls: As above.

CC: A copy of above is forwarded to following for information:

- i) The Deputy Commissioner,
Ludhiana.
- ii) The General Manager,
District Industries Centre,
Ludhiana.

NOT FOR SALE

