GOVERNMENT OF PUNJAB
DEPARTMENT OF HOUSING & URBAN DEVELOPMENT
(HOUSING-1 BRANCH)

Notification

The 19th June,2013

No.6/23/13-6Hg1/ 1440 **Whereas** an endeavour to boost the planned urban development, to avoid complicacies of compulsory land acquisition, to make the Land Owners as stake holders in urban development and to share with them the benefits of such developments, the Govt. of Punjab has formulated the following two policies :-

(A) Land Pooling Policy for the State of Punjab.

(B) Land Owners become Partners in Development.

The Governor of Punjab is pleased to notify these policies for implementation in the State of Punjab.

(A) LAND POOLING POLICY FOR THE STATE OF PUNJAB:

Punjab Cabinet in its meeting held on 21.8.2008 decided to frame the Land Pooling Policy as under:-

(a) The compensation per acre of land offered for land pooling shall be as below :-

(i) Half of developed residential land

(ii) Half of developed commercial land

(b) The land acquiring department shall have the liberty to make any change in the rules to acquire land in view of different geographical location of land and with the changed circumstances. For compensation to land owners either the provisions of land acquisition Act shall be applicable or the above said package has to be accepted because different

modes for the payment of compensation under the acquisition Act shall not be appropriate.

(c) The compensation approved under Land Pooling Scheme shall be applicable prospectively.

(d) The Policy mentioned at (a) shall be applicable to all the development authorities viz; Housing & Urban Development Department, Local Government Department, PUDA, GMADA, Improvement Trusts, also in the Department of Industries in the future as far as possible.

In view of the above decision of Punjab Cabinet in para (a) to (d) the Land Pooling Policy shall be made applicable to all the Development Authorities in the State of Punjab

I **Return of Developed Residential Land and Commercial land to land owners under Land Pooling Scheme-**

1. The Land Owners shall be returned developed Residential & Commercial land as per table below:-

Land to be acquired (in kanal)	**Developed residential area to be returned (in sq yard)**	**Developed commercial area to be returned (except parking)**	**Remarks**
1 kanal	150	-	No commercial site shall be given
2 kanal	300	-	No commercial site shall be given
3 kanal	450	-	No commercial site shall be given
4 kanal	500	One shop 12ft x 45ft- 60 sq yard	For shop basement, G+1, FAR 1:2.0 shall be permissible
8 kanal	1000	SCO/ SCS 121 sq yard Or 2 shops 12ft x 45ft- 60 sq yard	For SCO/SCS basement, G+2, FAR 1:3.0 shall be permissible and For shop basement, G+1, FAR 1:2.0 shall be permissible

Note:

1 An acre means standard acre having 8 Kanal. Each Kanal shall be of 605 square yards in area.

2 No Commercial plot shall be offered if the area acquired of the owner is less than 3 Kanals.

3 The Land owners can opt for maximum three standard plots per acre of land offered for the scheme. This option of the landowner shall be as per the layout plan of the scheme.

4 The land owners shall be allowed to have two standard size residential plots for an area of 0.5 acre (4 Kanals) acquired.

5 In case the area acquired under land pooling scheme is less than 0.5 acre (4 Kanals) then the land owner shall be allowed to have one residential plot as per the table above.

6 In case the area acquired for the scheme is in fractions & if the fraction is more than the half of the unit then the area acquired shall be counted in the next upper category e.g if the area acquired is 1.6 Kanals it shall be considered as 2 Kanal for the purpose of entitlement of plot. In case the fraction of the area acquired is less than the half of the unit e.g the area acquired is 1.4 Kanal then it shall be counted as one Kanal for entitlement of plot.

7 The Residential & Commercial plots to the land owner (s) shall be allotted through open draw of lots under this policy. Where the land owner is to be allotted two or more plots of the same size he shall have the option to club these plots. In this case the allotment of first plot shall be through draw of lots and the rest of the plots shall be clubbed as per availability in the layout plan. For these plots the continuity factor shall be applied.

8 The common share holders in a khewat can separately or jointly apply under this scheme.

9 In case the land owners are more than one. Then they can club their land to avail land pooling under this scheme.

10 If the land is acquired for other than residential purpose even then the land pooling shall be available to the land owners and the concerned authority shall simultaneously notify scheme for residential/commercial purpose for Land Pooling Scheme.

11 The compensation for structures falling in the land to be acquired for Land Pooling shall be allowed as per provisions of the Land Acquisition Act.

12 In case the possession of the structure (House) of the land owner is taken by the Authority then this possession shall not be made effective for a period of one year from the date of giving possession of the developed plot to the land owner so that to enable him/her to construct a new house in the plot in that period.

13 The eligible land owners may opt for shops instead of SCO/SCS as stated in the table.

III **Subsistence Allowance**

The land owners shall be given subsistence allowance @ Rs. 25,000/- per acre upto maximum 3 years or till the possession of developed share of land is not handed over to him/her whichever is earlier.

IV **Land Acquisition through Land Aggregator**

If the land is acquired under Land Pooling Scheme through Land Aggregator in that case the land aggregator shall be paid 2% commission for that land on the total amount calculated at Collector rates excluding solatium or any other charges payable.

Land Aggregator shall be subject to the following conditions:-

i) The land Aggregator must be a registered Estate Agent under the provision of the PAPR Act, 1995.

ii) The Aggregator shall only be eligible for commission if he makes available the land on the sites identified by the concerned Authority.

iii) The Aggregator must have Special Power of Attorney from (as per specimen attached) the owners of the land which he offers to the development authority for this scheme & and copy of Power of Attorney shall be attached to offer letter by the Aggregator.

iv) The Aggregator shall be paid commission only after he hands over the possession of the offered land to the authority which shall be free of any encumbrance.

Another model has been worked out here where the land owners become partners in development with PUDA/ special development authorities. This policy would help in developing well planned, laid out and better developed Real Estate Projects in the entire states and will provide better living conditions for the public at large. This new policy is named as;

(B) Land Owners Become Partners in Development:

Under this Policy land owner(s) can become partners with the development authority and the Development Authority shall develop the land belonging to the land owner(s) and sell the developed land in accordance with the policy of the Authority. The proceeds shall be shared between land owner(s) and the Authority.

The main features of this policy are as under;

1. The land owner(s) having contiguous chunk of land appropriately located for developing an Urban Estate can enter into an agreement with Punjab Urban Planning and Development Authority (PUDA) or a Special Development Authority giving development rights of land to PUDA or Special Development Authority. The development authority if satisfied with the viability of the project can take over possession of the land for development. Exclusive commercial projects can also be executed under this policy.
2. The land has to be free from all encumbrances and the decision whether to go for an agreement on any land thus offered will be the option of the Authority.
3. The land owner(s) shall give all rights of development and sale of his/their land to the concerned development authority at the time of signing of agreement.
4. The land owner(s) will give right of mortgaging their land with Banks/Financial Institutions to the Authority to carry out the development activities.

5. The Authority will develop the land as per the specifications / norms approved by the Authority at the cost of the land owner within a period of five years.
6. The Authority will fix the rates at which the plots, houses, institutional, commercial area etc shall be sold in consultation with the land owner(s).
7. In case there is more than one owner and there is lack of consensus for reserve price at which the developed land shall be sold, then the price will be decided by the majority of ownership and the weightage of the Authority will be 20% of the total.
8. All the receipts from the sale of developed land will be deposited in a separate ESCROW account to be operated and managed by the Authority.
9. The Authority will keep a complete account of the receipts and the expenditures incurred on the development of this particular project.
10. The Authority will have the mandate to use this account only for payments related to the development activities in that particular project, payment of interest and principal in case of any loan that has been raised for development purposes and for the payment to the share holders in the land or the Authority as per financial agreement.
11. In case at any point of time it is found that the land is not free from encumbrances or under any civil suit or any legal matter comes up which hinders the sale of land, the Authority shall have the right to exit from the project. All the liabilities of such exit will be borne by the land owner(s).
12. Once the development works are completed and Completion Certificate is issued by the Authority, then the owner(s) will not have any right to exit from the project.

Financial Agreement

1. The entire development of area which includes levelling, earth work, roads, laying of basic amenities like sewerage, water supply, storm water sewer, electrical, street lighting, parks, green areas etc will be borne by the land owner(s). The Authority will charge an administrative cost of 10% from the land owner(s) over and above the actual cost of development.

2. The CLU, EDC, License/Permission Fee, Social Infrastructure Fund and Urban Development Fund shall be borne by the land owner(s).
3. The interest component on every loan such raised for the development of land will be borne entirely by the land owner(s).
4. The authority shall have the right to issue LOI and get registered the conveyance deed of the sold properties.
5. All receipts from the sale of land will come to a separate account to be operated by the Authority. The first charge from such receipts will be the repayment of loan and interest component, if any and second charge will be payment of the cost of development.
6. The net receipts/profits from sale of land will be shared in the ratio of 80:20 by the land owner and the Authority respectively.
7. The payment will be released by the Authority to the land owner(s) in accordance with their share and the 20% of the total net receipts / profits shall be kept by the Authority itself.

   An illustration regarding works to be done and sharing of profits is given as below:-

Sr. No.	**Item**	**Land holders**	**Development Authority**
1.	Land	Yes	-
2.	Loan raising if required	-	Yes
3.	CLU, EDC, LF, SIF charges	Yes	-
4.	Development Cost	Yes	-
5.	Development execution	-	Yes
6.	Sale Price fixation	Yes	Yes
7.	Sale of property	-	Yes
8.	Receipt of sale proceeds	-	Yes
9.	*Profit Sharing	80%	20%

Note:-

* Profit means net receipts received after deducting CLU, EDC, LF, SIF charges, interest of loan if any, cost of development works, Maintenance Cost, Administrative charges, the cost incurred on advertisement, auction etc.

Illustration of tentative Profits likely to accrue to land holders per acre.

Estimated Cost per acre

1.	Cost of land @ Rs. 75.00 lac per acre	=	75.00 lac
2.	Cost of development @ Rs. 30.00 lac per acre	=	30.00 lac.
3.	Payment of CLU, EDC, LF, SIF charges	=	25.00 lac
4.	Other Adm. & Misc Charges @ 10 Lac per acre	=	10.00 lac
5.	Maintenance Cost @ 2.5 % of total cost for 5 years per acre	=	8.00 lac
6.	Total Cost per acre	=	148.00 lac

Estimated Receipts

1. Saleable area per acre =2662 sq yard
   a. Residential @ 50% =2420 sqyrd
   b. Commercial @ 5% =242 sq yrd

2. Receipts
   a. Residential @ 8,000 per sqyrd =193.60 lac
   b. Commercial @ 25,000 per sqyrd =60.50 lac
   Anticipated return (a+b) =254.10 lac
   say 254 lac

Net Profit (254.00 lac – 148.00 lac) = 106.00 lac per acre

3. Sharing of net profit per acre
   a. Land owner @ 80 % = 84.88 lac
   say 85 lac
   b. Dev. Authority @ 20% = **21.00 lac**

Hence the land owner is likely to get profit of Rs 85.00 lac per acre.

The notional value of land for each category of town per gross acre of land shall be as fixed below:-

1	Corporation Towns of Ludhiana, Jalandhar, Amritsar and SAS Nagar (within and outside M.C. limits upto 15 km)	1 Crore
2	A-Class towns including other corporation towns (within and outside M.C. limits upto 10 km)	70 lacs
3	B-Class town (within and outside M.C. limits upto 8 km)	60 lacs
4	C-Class town (within and outside M.C. limits upto 6 km)	50 lacs
5	Rest of the State of Punjab	40 lacs

8. The land owner(s) shall have the option of retaining up-to 25% of the residential plots after paying share of the Authority on reserve price in lump sum, provided that the total area of that land owner in the project is not less than one acre. This option will be in accordance with the size of the available residential plots in the approved layout plan of the area.

9. Authority will charge on actual basis from land owner(s) the operation and maintenance charges for five years from the date of issue of Completion certificate of the development works.

10. Land falling under roads, parks and all other public uses will be transferred in the name of the Authority by the land owner(s) free of any cost.

11. All the powers for any transaction/sale of plots will be with the officer authorized of the Authority.

12. The first transfer of land from land owner(s) to the Authority will be exempted from the Stamp duty. The land under public uses like roads, parks etc which will be transferred to the Authority will also be exempted from stamp duty.

13. Payment Schedule for the sale of developed land shall be maximum three years.

14. The sale of residential plots, commercial and other property in the project will be as per the policy of the Development Authority.

15. In the implementation of this policy, any amendment or exception from the prevailing Acts/ Policies that are required will be granted by the concerned development authority/government.

A Venu Prasad, IAS

Dated, Chandigarh the 18-06-2013

Secretary to Government, Punjab,
Housing & Urban Development Department Chandigarh.

Endst. No.6/23/2013-6Hg1/1441 Dated, Chandigarh:19-6-13

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 (Extra Ordinary) and 100 copies thereof may be supplied to this Department for official use.

Special Secretary

Endst. No.6/23/2013-6Hg1/ Dated, Chandigarh:

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

1. Financial Commissioner, Revenue, Punjab.
2. Principal Secretary, Industry and Commerce, Punjab.
3. Secretary, Local Government, Punjab.
4. Chief Administrator, PUDA, Mohali.
5. Chief Administrator, GMADA, Mohali.
6. Chief Adminisrator, PDA, Patiala.
7. Chief Administrator, BDA, Bathinda.
8. Chief Administrator, GLADA, Ludhiana.
9. Chief Administrator, JDA, Jalandhar.
10. Chief Administrator, ADA, Amritsar.
11. Chief Town Planner, Punjab, Mohali.
12. Managing Director, Punjab Infotect, Chandigarh.
13. Incharge, Infotech,Chandigarh.

Superintendent