

**CHANDIGARH ADMINISTRATION
FINANCE DEPARTMENT
NOTIFICATION**

The 19th September, 2005

No. 28/8/51-UTFI(3)-2005/6658 In exercise of the powers conferred by Section 7 and Section 22 of the Capital of Punjab (Development and Regulation) Act, 1952 and the rules made thereunder, the Administrator, Union Territory, Chandigarh is pleased to make the following scheme, for conversion of land use of industrial activity to commercial activity, namely: -

1. This Scheme may be called "Chandigarh Conversion of Land Use of Industrial Sites into Commercial Activity/ Services in Industrial Area, Phase I and Phase II, Chandigarh Scheme, 2005".
2. It shall come into force from the date of its publication in the Official Gazette and shall remain in force for a period of two years.
3. The Designated Agency for this scheme will be Chandigarh Housing Board.
4. In this scheme, unless the context otherwise requires: -

All words and expressions used in the scheme but not defined hereunder shall have the meaning attached thereto in the Capital of Punjab (Development and Regulation) Act, 1952 and the rules made thereunder: -

1. "Industrial Site" means site allotted/sold/leased out by the Chandigarh Administration for whatever purpose in Phase-I and Phase-II, Industrial Areas, Chandigarh.
2. "Conversion Fee" means the fee fixed by the Chandigarh Administration in this scheme.
3. "Commercial Activity" shall broadly be what is understood by the tertiary sector and shall inter alia include shops, offices, banks, hotels, restaurants, training institutions etc. Residential use and red category trades as notified by the Department of Environment with the exception of hospitals and nursing homes shall not be permitted.
5. Provisions for converting land use of an Industrial Site into Commercial: -

Commercial activity can be started in Industrial plots after payment of conversion fee in the manner prescribed in the scheme either by converting the land use or by fresh

construction in accordance with the guidelines of the architectural controls attached at Annexure 'A'.

6. Conditions for conversion of land use of Industrial sites to commercial.

- i) The lessee/owner/GPA holder or tenant (with the consent of owner) shall make an application to the Designated Agency in the prescribed proforma as per Annexure 'B' along with conversion fee as and in the manner prescribed in this scheme in the shape of D.D./Pay Order drawn on any scheduled bank in favour of Designated Agency. The application from the sub-lessees of CITCO shall be submitted with the recommendations of the CITCO. The owner/applicant will clear all pending dues payable on account of sale/allotment, if any.
- ii) The conversion fee to be paid by the applicant who applies for conversion, will be 50% of the average price of the commercial sites fetched in the auctions held in the last 3 years. The fee will further be reduced by 50% in view of locational disadvantage of sites in the Industrial Area, Phase-I & II. 10% concession shall be given to those applicants who apply for conversion within one year of the notification of the scheme. For the purpose of calculation, the FAR allowed for commercial properties auctioned by the Estate Office in the last 3 years is taken as 3.0 and the FAR after conversion in the Industrial Area, Phase-I & II will be 2.0 . See Annexure 'C' (Statement showing calculation of conversion fee).
- iii) The Designated Agency will process the cases of conversion and convey the decision within a period of 15 days of receiving the application. If no decision is conveyed within stipulated period, permission will be deemed to have been granted.
- iv) All arrears of lease money, premium or part due, interest etc. in respect of Industrial Sites shall be paid by the applicant, before the application for conversion is submitted.

- v) In case where the site is resumed/cancelled, conversion shall not be allowed until the resumption/cancellation order is set aside and the site is restored to the owner.
- vi) Conversion of land use shall not be allowed in cases where the title of the property is disputed.
- vii) Industrial sites which have been mortgaged with the Bank/Financial Institutions will be allowed conversion only when the lessees/allottees submit 'No Objection Certificate' from the mortgagee.
- viii) Sites which were allotted on lease hold or free hold basis will remain as such, after conversion.
- ix) Fragmentation of sites will be permitted subject to the condition that no sub-divided site will measure less than a standard acre. However, sub-division/fragmentation will be permissible only after conversion of the whole plot.

7. The applicant may pay conversion fee up front in a lump sum or in 2, 3, 4 or 5 annual instalments. (a) First instalment will be paid alongwith the application for conversion by a demand draft, and post dated cheques for the remaining instalments attached with the application, and (b) that the amount due after the first instalment will bear interest at a rate decided by the Designated Agency. In case of default, apart from any other liabilities, the property will be subject to resumption.

8. The application for conversion shall be accompanied by an attested copy of Occupation Certificate or letter of Release of Sewerage Connection.

9. The conversion fee shall be charged for the whole of the size of the plot.

10. The conversion of industrial plot into multiplex, marriage palace or banquet hall shall be allowed only if the area of the plot is one acre or above.

11. Designated Agency shall keep the conversion fee received by it in an account separate from all its other accounts. The accumulated funds will not count as income of the Designated Agency. These funds and any interest accruing thereupon shall be kept as 'Special Fund', Rules of governance of this special fund shall be framed and got approved from Government of India and utilized accordingly exclusively for the purpose of developing the infrastructure in Industrial Areas Phase I and II or in any other areas of Chandigarh, as may be specified by the Administrator, Union Territory, Chandigarh.

12. Any construction not in accordance with the prescribed norms shall be demolished at any time by the Enforcement Wing of the Estate Office.
13. Any activity not permissible under the scheme shall not be allowed.
14. The conversion shall be subject to all laws and rules applicable generally or/specifically to the trade. The conversion shall not create any rights other than those specified in this scheme.
15. There shall be no bar on sale or alienation or otherwise of property in respect of which full conversion fee has been paid.
16. For conversion, the Administration will recognize applications from the GPA holders.
17. The applicants under this scheme will be exempted from the payment of unearned increase as provided under Rule 17 (10) of Chandigarh Lease Hold of Sites and Building Rules, 1973.

S.K. Sandhu
Finance Secretary
Chandigarh Administration.