

GOVERNMENT OF PUNJAB
DEPARTMENT OF LOCAL GOVERNMENT
(TOWN PLANNING WING)

To

Commissioner,
Municipal Corporation,
Amritsar, Jalandhar, Ludhiana, Patiala, Bathinda,
S.A.S. Nagar, Moga, Phagwara, Pathankot and Hoshiarpur.

Regional Deputy Director,
Urban Local Bodies,
Amritsar, Jalandhar, Ludhiana, Patiala, Bathinda and Ferozepur.

Memo No. Dir.T.P(LG) – 2014 – 1552
Dated: 26.08.2014

Subject: Redefining the Municipal Cities / Towns into potential zones to levy External Development Charges (EDC), Change of Land Use charges (CLU), Urban Development Cess (UDC) and Permission Fees (PF), in the Municipal Areas of Punjab.

Whereas the Local Government Department has issued the following instructions / guidelines from time to time to prescribe rates / charges for change of land use of plots in residential scheme areas, bulk connectivity charges, etc:-

- A. For conversion of residential plots to commercial in Residential TP Scheme / Development Schemes / Rehabilitation Scheme areas etc.
 1. memo no. 4/16/94–1LG3/8763 dated 28.07.94.
 2. memo no. 9/27/06–5LG1/6761–6763 dated 22.08.06.
- B. Levy of CLU charges on conversion of Land Use in non-scheme areas.
 1. memo no. 1/23/09–5LG1/3044–3046 dated 17.09.09.
- C. Charges for Bulk connectivity to institutions like Focal Points, Urban Estates, Improvement Trusts, Housing Complexes, Colonizers, Registered Cooperative Societies etc.
 1. memo no. 10/34/2005–3LG1/4256 dated 23.03.05.
- D. Levy of Development cost to accord sanction of Building Plans in already established unauthorized colonies.
 1. memo no. CTP(LG)–05/1430–1444 dated 08.07.05.
- E. Cost of providing basic trunk services to TP Schemes / Colonies / Group Housing projects etc.
 1. memo no. CTP(LG)–2011/12–22 dated 04.01.11.
 2. memo no. CTP(LG)–2011/281–294 dated 07.02.11.
- F. CLU fee to develop the agricultural land / vacant undeveloped areas for the first time for Urban use as prescribed in the Master Plan or to change the existing use of properties / plots in already developed / built-up non-scheme areas to the use permissible in the Master Plan or to change the use of residential plots to commercial in the already executed scheme areas as per policy of 2006 within the framework of Master Plan.
 1. memo no. 301–315 dated 04.04.13.

Whereas due to these multiple set of instructions, at times there may be overlooking / confusion or misinterpretation at the ULB level for levy of charges eg the instructions mentioned at 'C' above are relating to provision of trunk services and instructions at 'E' is duplicacy of instructions at 'C' as the same also relates to provision of trunk services. Similarly in case of instructions at 'D' above the instructions stands withdrawn on 14.08.12 in accordance with directions of the Hon'ble Punjab and Haryana High Court in CWP No. 11961 of 2009. There arises a need to consolidate all the instructions issued from time to time.

Whereas the Housing & Urban Development Department, in the year 2007, notified various Potential Zones in the State of Punjab and prescribed the rates of External Development Charges (EDC), Change of Land Use Charges (CLU) and License / Permission Fees (LF/PF) for Residential Plotted, Residential Group Housing and Commercial for various Potential Zones. In the year 2010, the Housing & Urban Development Department re-defined the Potential Zones in the State of Punjab and reduced the charges in view of the economic turmoil throughout the world in order to make it more realistic and to salvage the Real Estate Projects.

Whereas in view of continuing economic slowdown world over, the Housing & Urban Development Department in the year 2013, again redefined the Potential Zones and rationalized the charges.

Whereas the Local Government Department in the year 2011 classified ULBs into various potential zones and prescribed the cost of providing basic trunk services to TP Schemes / Colonies / Group Housing projects etc.

Whereas the State Government in the Department of Housing & Urban Development and in the Department of Industries and Commerce etc keep taking decisions from time to time to salvage and promote various sectors eg Industries, Tourism, Health, Real Estate Sector etc.

Whereas the Local Government Department has also decided to redefine the Potential Zones and rationalize the charges and also to extend fiscal incentives given by the State Government in the Department of Housing and Urban Development and in the Department of Industries and Commerce etc, from time to time, to various sectors (Industries / Hospitals / Hospitality etc).

Accordingly based on the categorization of Potential Zones by the Housing and Urban Development Department, the Municipal Cities / Towns have been redefined into various Potential Zones, as mentioned at **A** below and the Potential Zone wise rates of EDC, PF, UDC and CLU (except for conversion of residential plots into non-residential use including Hotels, Hospitals etc in the existing Schemes, as per memo no. 9/27/06-5LG1/6761-6763 dated 22.08.06) will be as mentioned at **B** below:-

A. Potential Zones – Municipal Areas of Punjab

1.	Ludhiana and municipal towns within 15 kms radius.
2.	Jalandhar and municipal towns within 10 kms radius.
3.	Amritsar, Patiala, Khanna, Rajpura, Mandi Gobindgarh, Sirhind & Phagwara and municipal towns within 7 kms radius.
4.	Bathinda, Moga, Pathankot, Hoshiarpur, Barnala, Batala, Malerkotla, Morinda and municipal towns within 5 kms radius.
5.	Sangrur, Sunam, Faridkot, Kotkapura, Ferozpur, Malout, Abohar, Shri Muktsar Sahib,

	Gurdaspur, Jagraon, Nabha, Kapurthala, Mansa, Nawan Shahar, Ropar, Samana, Tarn Taran, Kurali, Lalru and municipal towns within 3 kms radius.
6.	Rest of the Municipal Areas in Punjab (except NayaGaon).
7.	S.A.S. Nagar, Zirakpur.
8.	Kharar, Dera Bassi, Banur.

B. Zone wise Rates of External Development Charges (EDC), Change of Land Use charges (CLU), Processing Fees for Permission Fees (PF) and Urban Development Cess (UDC)

The charges of EDC, CLU, PF and UDC in case of Residential Plotted and Residential Group Housing shall be 50% of the charges prescribed by the Housing and Urban Development Department and in all other cases shall be 100 %.

(Rs. in lacs/gross acre i.e. 4840 sq.yds)

Sr No.	CLASSIFICATION OF ZONE	EDC	CLU			PF	UDC
			NH	SH / Sector Road	Other Road		
1.	Ludhiana & Municipal Towns within 15 Kms radius						
	a) Residential Plotted	12.00	4.50	3.50	2.50	1.50	
	b) Residential Group Housing	30.00	7.50	6.00	5.00	2.50	
	c) Commercial	45.00	40.00	35.00	30.00	15.00	
	d) Marriage Palaces	10.25	36.00	36.00	26.00	1.50	2.25
	e) Petrol Pump	24.00	9.00	7.00	5.00	3.00	
	f) Hospital, Multi Media Centre (not multiplex) & Hotels	12.00	0.00	0.00	0.00	1.50	
	g) Institutions	6.00	0.00	0.00	0.00	0.75	
	h) Industry / Godowns / Warehousing / Cold Store	5.50	0.00	0.00	0.00	0.00	
	i) Sports	Actual charges	0.50	0.50	0.50	0.00	
	j) Recreational	6.00	3.00	2.00	1.00	1.00	
2)	Jalandhar & Municipal Towns within 10 Kms radius.						
	a) Residential Plotted	9.00	4.00	3.00	2.50	1.00	
	b) Residential Group Housing	27.50	6.00	5.00	4.00	1.50	
	c) Commercial	35.00	35.00	30.00	25.00	5.00	
	d) Marriage Palaces	9.00	28.00	28.00	16.00	1.20	1.80
	e) Petrol Pump	18.00	8.00	6.00	5.00	2.00	
	f) Hospital, Multi Media Centre (not multiplex) & Hotels	9.00	0.00	0.00	0.00	1.00	
	g) Institutions	4.50	0.00	0.00	0.00	0.50	
	h) Industry / Godowns / Warehousing / Cold Store	5.50	0.00	0.00	0.00	0.00	

	i)	Sports	Actual charges	0.50	0.50	0.50	0.00	
	j)	Recreational	6.00	3.00	2.00	1.00	1.00	
3)	Amritsar, Patiala, Khanna, Rajpura, Mandi Gobindgarh, Sirhind & Phagwara and municipal towns within 7 kms radius.							
	a)	Residential Plotted	7.00	2.00	1.50	1.00	1.00	
	b)	Residential Group Housing	19.00	5.00	4.00	3.00	2.50	
	c)	Commercial	30.00	25.00	20.00	15.00	5.00	
	d)	Marriage Palaces (for Patiala)	3.75	15.00	15.00	10.00	0.50	0.75
	e)	Marriage Palaces (for Khanna & Phagwara)	3.00	8.00	8.00	4.00	0.40	0.60
	f)	Petrol Pump	14.00	4.00	3.00	2.00	2.00	
	g)	Hospital, Multi Media Centre (not multiplex) & Hotels	7.00	0.00	0.00	0.00	1.00	
	h)	Institutions	3.50	0.00	0.00	0.00	0.50	
	i)	Industry / Godowns / Warehousing / Cold Store	1.10	0.00	0.00	0.00	0.00	
	j)	Sports	Actual charges	0.50	0.50	0.50	0.00	
	k)	Recreational	6.00	3.00	2.00	1.00	1.00	
4)	Bathinda, Moga, Pathankot, Hoshiarpur, Barnala, Batala, Malerkotla, Morinda and municipal towns within 5 kms radius.							
	a)	Residential Plotted	3.00	1.25	1.00	0.75	0.75	
	b)	Residential Group Housing	9.50	2.50	2.00	1.50	1.50	
	c)	Commercial	17.00	10.00	7.00	5.00	3.00	
	d)	Marriage Palaces (for Bathinda)	3.75	15.00	15.00	10.00	0.50	0.75
	e)	Marriage Palaces (for other towns of this zone)	3.00	8.00	8.00	4.00	0.40	0.60
	f)	Petrol Pump	6.00	2.50	2.00	1.50	1.50	
	g)	Hospital, Multi Media Centre (not multiplex) & Hotels	3.00	0.00	0.00	0.00	1.00	
	h)	Institutions	1.50	0.00	0.00	0.00	0.50	
	i)	Industry / Godowns / Warehousing / Cold Store	1.10	0.00	0.00	0.00	0.00	
	j)	Sports	Actual charges	0.50	0.50	0.50	0.00	
	k)	Recreational	6.00	3.00	2.00	1.00	1.00	
5)	Sangrur, Sunam, Faridkot, Kotkapura, Ferozpur, Malout, Abohar, Shri Muktsar Sahib, Gurdaspur, Jagraon, Nabha, Kapurthala, Mansa, Nawan Shahr, Ropar, Samana, Tarn Taran, Kurali, Lalru and municipal towns within 3 kms radius.							
	a)	Residential Plotted	2.50	1.00	0.75	0.50	0.50	

	b)	Residential Group Housing	6.00	2.00	1.50	1.00	1.00	
	c)	Commercial	12.00	6.00	4.00	2.00	2.00	
	d)	Marriage Palaces	2.25	7.00	7.00	3.00	0.30	0.45
	e)	Petrol Pump	5.00	2.00	1.50	1.00	1.00	
	f)	Hospital, Multi Media Centre (not multiplex) & Hotels	2.50	0.00	0.00	0.00	0.50	
	g)	Institutions	1.25	0.00	0.00	0.00	0.25	
	h)	Industry / Godowns / Warehousing / Cold Store	1.10	0.00	0.00	0.00	0.00	
	i)	Sports	Actual charges	0.50	0.50	0.50	0.00	
	j)	Recreational	4.00	1.50	1.00	1.00	0.50	
6)	Rest of the Municipal Areas in Punjab (except NayaGaon).							
	a)	Residential Plotted	1.75	1.00	0.75	0.50	0.25	
	b)	Residential Group Housing	5.50	2.00	1.50	1.00	0.50	
	c)	Commercial	10.00	6.00	4.00	2.00	2.00	
	d)	Marriage Palaces	1.50	4.00	4.00	2.00	0.20	0.30
	e)	Petrol Pump	3.50	2.00	1.50	1.00	0.50	
	f)	Hospital, Multi Media Centre (not multiplex) & Hotels	1.75	0.00	0.00	0.00	0.25	
	g)	Institutions	0.88	0.00	0.00	0.00	0.12	
	h)	Industry / Godowns / Warehousing / Cold Store	1.10	0.00	0.00	0.00	0.00	
	i)	Sports	Actual charges	0.50	0.50	0.50	0.00	
	j)	Recreational	3.00	1.50	1.00	1.00	0.50	
7)	S.A.S. Nagar, Zirakpur							
	a)	Residential Plotted	18.00	5.00	4.00	3.00	2.00	
	b)	Residential Group Housing	58.00	7.00	6.00	5.00	2.50	
	c)	Commercial	80.00	40.00	35.00	30.00	55.00	
	d)	Marriage Palaces	11.25	35.00	35.00	25.00	1.50	2.25
	e)	Petrol Pump	36.00	10.00	8.00	6.00	4.00	
	f)	Hospital, Multi Media Centre (not multiplex) & Hotels	18.00	0.00	0.00	0.00	2.00	
	g)	Institutions	9.00	0.00	0.00	0.00	1.00	
	h)	Industry / Godowns / Warehousing / Cold Store	16.50	0.00	0.00	0.00	0.00	
	i)	Sports	Actual charges	0.50	0.50	0.50	0.00	

	j)	Recreational	6.00	3.00	2.00	1.00	1.00	
8)	Kharar, Dera Bassi, Banur							
	a)	Residential Plotted	15.00	4.00	3.00	2.50	1.50	
	b)	Residential Group Housing	50.00	5.00	4.00	3.00	2.50	
	c)	Commercial	75.00	35.00	30.00	25.00	40.00	
	d)	Marriage Palaces	3.00	8.00	8.00	4.00	0.40	0.60
	e)	Petrol Pump	30.00	8.00	6.00	5.00	3.00	
	f)	Hospital, Multi Media Centre (not multiplex) & Hotels	15.00	0.00	0.00	0.00	1.50	
	g)	Institutions	7.50	0.00	0.00	0.00	0.75	
	h)	Industry / Godowns / Warehousing / Cold Store	11.00	0.00	0.00	0.00	0.00	
	i)	Sports	Actual charges	0.50	0.50	0.50	0.00	
	j)	Recreational	6.00	3.00	2.00	1.00	1.00	

Other terms and conditions:-

1. The UDC for the Marriage Palaces shall be as mentioned in the above table, however for other land uses it shall be calculated at the rate of 5% of the total sum of EDC, CLU & PF. The Urban Local Body shall remit the UDC to the Director, Local Government Department every month.
2. In case of overlapping of two zones in a Municipal Council / Nagar Panchayat area, the rates of higher zone shall be applicable in the entire Municipal area.
3.
 - a) The PF shall be at the rate as on the date of submission of application for grant of permission for CLU and the same shall be payable up front.
 - b) The CLU charges shall be at the rate as on the date of grant of permission for CLU and the same shall be payable up front.
 - c) The EDC shall be at the rate as on the date of grant of permission / sanction and shall be payable for Residential Plotted, Group Housing, Commercial and Multiplex on a plot of 1 acre & above and mode of payment shall be as under:-
 - i) 15% of the EDC shall be charged up front.
 - ii) Rest of the EDC shall be recovered in ten equal half yearly installments with 10% interest, payable half yearly, along with installment on the balance amount.
 - iii) 3% penal interest (compounded) will be charged in case of default on the defaulted amount.
 - iv) The landowner can opt to deposit the balance 85% of the amount in lump sum by availing 5% rebate.
 - v) In case of installments, the landowner shall deposit bank guarantee equal to the balance amount or mortgage / hypothecate plots / building:-
 - a) To mortgage the plots, the developer will obtain the collector's rate.
 - b) The total quantum of plots taking 75% value of the collector's rate will be hypothecated to the concerned Authority.

- c) The developer will execute hypothecation deed in favor of the concerned Authority.
 - d) The developer will get the necessary details regarding the mortgaged area entered in the revenue record.
 - e) The mortgaged plots along with the Khasra numbers will be depicted in the Layout Plan and a copy of the layout Plan will also be displayed at site.
 - f) The developer can get the plots released in full or in parts, in accordance with the payment of balance amount along with interest.
 - g) Or any other condition that the concerned Competent Authority may deem fit to ensure recovery of the balance amount.
 - vi) In case the landowner fails to deposit the amount of installment on due date, the ULB shall be entitled to recover the default amount without any notice from the bank guarantee or mortgaged / hypothecated plots / buildings.
4. In case of standalone Building Plans of Commercial and Multiplexes (on a Plot less than 1 acre), Petrol Pumps, Hospitals, Multimedia Centre, Hotels, Institutions, Industry / Godowns / Warehousing / Cold Store, Sports, recreational and Marriage Palaces the EDC shall be payable in two installments i.e. first installment along with CLU charges and second installment at the time of approval of Building Plan.
 5. 5% of the total proceeds of charges from regulation of Building Activity shall be submitted to the Directorate for credit to 'Processing Fee Fund Account' to be maintained and utilized for the Town Planning Wing of Local Government Department, Punjab.
 6. These instructions / charges shall be applicable from the date of issue of these instructions and shall be applicable for the CLU / Building Plans to be approved after issue of these instructions.
 7. These instructions will supercede all the instructions / circulars issued from time to time by the Local Government Department regarding rates / charges for bulk connectivity, CLU charges in non- scheme areas, Levy of development charges for sanction of Building Plans in already established unauthorized colonies, cost of providing basic trunk services to TP Schemes / Colonies / Group Housing projects, CLU charges for permission u/s 81 of PRTPD Act 1995 etc **except** the charges prescribed vide memo no. 9/27/06–5LG1/6761–6763 dated 22.08.06 for conversion of residential plots into non-residential use including Hotels, Hospitals etc in the existing Residential TP Scheme / Development Schemes / Rehabilitation Scheme areas etc abutting on identified / already notified roads.

sd/-
Director-cum-Special Secretary

Endstt. No. Dir.T.P(LG) – 2014 – 1553 – 1560

Dated: 26.08.2014

A copy of the above is forwarded to:-

1. PS/CM for information of Chief Minister Punjab.
2. PS/DCM for information of Deputy Chief Minister Punjab.
3. PS/LGM for information of Local Government Minister Punjab.
4. OSD/CS, Punjab for information of Chief Secretary, Punjab.
5. PS/FCR for information of Financial Commissioner Revenue Punjab.

6. PS/PSIC for information of Principal Secretary Industries and Commerce.
7. PS/SHUD for information of Secretary Housing and Urban Development Department Punjab.
8. PS/SLG for information of Secretary Local Government Punjab.

sd/-
Director-cum-Special Secretary