

42
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PUNJAB URBAN PLANNING & DEVELOPMENT AUTHORITY, CHANDIGARH.
(ADMN. BRANCH)

To

The Principal Secretary to Govt. Punjab,
Department of Housing and Urban Development,
Chandigarh.

No. PUDA-^{Rec-}2133-97/ 3879

Dated: 17.12.97

Subject: Amendment in Rule 13 of the Punjab Regional and Town Planning and Development (General) Rules, 1995.

The Finance Committee in its 15th meeting held on 16.9.97 has approved the proposal for revision of extension policy including the rates for residential and commercial plots. As provided in rule 13(3) of the Punjab Regional and Town Planning and Development (General) Rules, 1995 that extension upto five years can be granted after three years period of allotment on the payment of prescribed extension fee, which is as under, for construction of a building on the plot:-

Period of extension.	Residential plots. (Rate per Sq.mtr.)	Commercial plots.
1st year	Rs.1.50	One percent of the sale price or premium.
2nd year	Rs.2.00	One and half percent of the sale price or the premium.
3rd year	Rs.2.50	Two percent of the sale price or the premium.
4th year	Rs.4.50	Two and a half percent of the sale price or the premium.
5th year	Rs.6.00	Three percent of the sale price or the premium.

NOTE: The aforesaid three year period is calculated with effect from the date of issue of allotment letter.

A policy decision was taken by the erstwhile Punjab Housing Development Board vide letter No.2889-99 dt.25.1.95 (Annexure 'A') to extend the construction period in case of old allottees upto 31.12.96 on the payment of extension fee at the rate of Rs.16 per-Square meter. for the year 1995 and Rs.20 per sq.mtr. for the year 1996, for residential plots, whereas the rates for 6th, 7th and 8th year for commercial plots were revised as under:-

6th year	Three and half percent of the sale price or the premium.
7th year	Four percent of the sale price or the premium.
8th year	Four and half percent of the sale price or the premium.

Since the final extension period in case of all allotments was to expire on 31.12.96, representations were received to extend this period beyond 31.12.96. The matter was considered at the level of Finance Committee in its meeting held on 4.11.96 vide agenda item No.11.06

(41)

567

(Annexure 'B'). The Finance Committee after considering the issue decided as follows:

"In view of several representations received in this regard, it was decided that an extension of 6 months may presently be given at the existing rates and a proposal resubmitted for consideration for the Finance & Accounts Committee after considering all aspects of the matter."

Accordingly instructions were issued vide letter No.,152-70 dated 3.12.96 (Annexure 'C') to enforce the aforesaid decision of the Finance Committee.

As per decision of the Finance Committee taken in its meeting held on 4.11.96, the matter was again put up to the Finance Committee for grant of extension beyond 30.6.97 and fixing up the rates vide agenda item No.12.04(Annexure 'D'). The Finance Committee considered the matter and approved as under:-

"The Committee approved the proposal given at option-II in respect of residential and commercial property with a doubling of the incremental increase for the next block of 5 years to begin after the current extension of 6 months lapses in case of residential plots. In the case of commercial property an extension of 5 more years beyond the current five years would be on the payment of an extension fee at the rate of 5% of the sale price per year."

In accordance with the above decision of the Finance Committee, the following rates were conveyed vide letter No.PUDA-Policy-97/AP-1/283-94 dated 18.7.97 (Annexure-E) in anticipation of the approval of the Government:-

RESIDENTIAL PLOTS:(beyond 30.6.97)

1st year	Rs.20.00+Rs.10.00 per sq.mtr.
2nd year	Rs. 30.00+Rs.10.00 ""
3rd year	Rs.40.00+Rs.10.00 ""
4th year	Rs.50.00+Rs.10.00 ""
5th year	Rs.60.00+Rs.10.00"

COMMERCIAL PLOTS:

FORMULA:

- Supposing the sale price is Rs.100.00
- Extension fee is 5% of Rs.100.00 i.e. Rs.5.00
- Ext.fee for 1st year Rs.5+5% of 5 = 'A'
- Ext.fee for 2nd year A+5%of A = 'B'
- Ext.fee for 3rd year B+5% of B='C'
- Ext.fee for 4th year C+5% of C='D'
- Ext.fee for 5th year D+5%of D='E'.

The issue of extension in time for construction was discussed in the meeting of

72

the Finance Committee held on 20.3.97 (Proceedings are available at Annexure-P). While reviewing the decision of earlier Finance Committee meeting, it was resolved that policy for grant of extension should basically take into view that the plots are put to actual use as expeditiously as possible. To ensure this, the following decisions were taken in principle:-

- (a) The plots which are sold, allotted or auctioned, an initial period of three years should be provided to allow for utilisation of the plots for purposes of construction,
- (b) After completion of initial period of three years, extension may be granted for one year at a time by charging non-construction fee which should keep enhancing with lapse of time in a manner aimed at discouraging purchase of plots for purpose of speculation. Efforts should be made that the part of incremental increase should be shared between the plot holder and the PUDA.

It was also decided that the policy formulation including rules will be applicable in case of residential as well as commercial plots.

The matter was discussed in the Finance Committee meeting held on 30.6.97 and subsequently on 16.9.97. The Finance Committee has decided the following rates:-

Period of extension	RESIDENTIAL PLOTS	COMMERCIAL PLOTS
1st year	No extension fee is applicable for the first three years as three years time is given for construction in the allotment letter.	
2nd year		
3rd year		
4th year	2% of the prevailing rate	2% of auction price.
5th year	2% -do-	2% -do-
6th year	2.5% -do-	2.5% -do-
7th year	2.5% -do-	2.5% -do-
8th year	2.5% -do-	2.5% -do-
9th year	3% -do-	3% -do-
10th year	3% -do-	3% -do-

It was further observed that:-

- (i) The present rule 13(3) of the Punjab Regional and Town Planning and Development (General) Rules, 1995 provides for extension for five years only. It is proposed that the period of extension may be increased to seven years both in case of residential and commercial Plots. These proposed new rates will be applicable to the allottees in whose case the first year of extension after the first 3 years of allotment commences from 1.1.98. All old allottees and to whom extension in time given for the last time expires on 31.12.97, may be given extension only upto December, 1999. The rates of extension fee to be charged from old and new allottees have been shown in Annexure-A-I and A-II.

493

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-4-

Copy of Agenda item No.15.98 which has been approved by the Finance Committee is enclosed for ready reference. The proposal has been approved by the Finance Committee for making a reference to the Government for amendment in rule 13 of the Punjab Regional and Town Planning and Development (General) Rules, 1995, by the Govt. You are, therefore, requested to issue the necessary amendment in rule 13 *ibid*. Since these rules will be applicable w.e.f. 1.1.98, it is also requested that the said rules may be amended well in time.

[Signature]
CHIEF ADMINISTRATOR.
17/12

D/A's above.

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