

**CHANDIGARH ADMINISTRATION
FINANCE DEPARTMENT
NOTIFICATION**

The 28th March, 2002 (Amended in 2005 & 2006)

No.31/1/290/UTF1(4)/2514 Whereas, it is necessary to promote the growth of Information Services in Chandigarh, with the objective of providing employment, especially for skilled and education workers; for enhancing the economic growth of the city and the region; for encouraging human resources development, higher education, technical education, and professional services by enhancing the demand for skilled workers; for encouraging economic activity and urban development of a nature that conserves the environment ; and for encouraging induction of the latest technology in all possible spheres of economic activity;

And whereas, with a view to achieving the above objectives, and keeping in view the un-availability of suitable commercial work space in the city of Chandigarh for the efficient and coordinated conduct of work related to Information Services the Chandigarh Administration needs to take steps to develop Information Services/Parks at suitable sites in the City of Chandigarh;

Now, therefore, the Administrator, Union Territory, Chandigarh, in exercise of powers vested by Sections 3, 5 and 22 of the Capital of Punjab (Development & Regulation) Act,1952, and all other powers vested in this behalf, is pleased to make the following rules regulating the allotment of land for Campus Sites in the Information Services Park:-

(1) (a) These Rules may be called “The Allotment of Campus Sites in Chandigarh Information Services Park Rules, 2002” (As amended in 2005 & 2006).

(b) These rules shall come into force from the date of publication in the official gazette.

(c) These rules shall apply within the boundaries of the Information Services Park or Parks, as determined by the Chief Administrator from time to time by issuing a notification and public notice.

(2) DEFINITIONS: In the context of these Rules;

(a) “Information services” include software architecture, design and development, software maintenance and implementation, operation of software systems, provision of software services (such as application service provider), management of databases, maintenance of computer networks and telecommunication networks, network services, network

administration, business process outsourcing and providing, information technology-enabled services.

- (b) “Information work” refers to the compilation, communication and processing of data for use in any economic activity, and includes the provision of information services.
- (c) “Information technology enabled services” include digital communication services, digital information content provision, digital database management and updation, remote digital office services, software operation, and other information work that relies primarily and substantially on digital telecommunication, including data centers, call centers & back offices operations but not direct sales & marketing except that using Information Technology.
 - a) “Campus sites mean all sites for which land is allotted under these rules”.
- (d) “ISO 9000” refers to International Standards Organization (ISO) 9000 series, a set of certification standards specified by the ISO Technical Committee.
- (e) the Capability Maturity Model for Software (CMM) of the Software Engineering Institute at the Carnegie Mellon University, Pittsburgh, USA is a framework that ranks the capabilities of software development enterprises. The CMM is presently composed of five maturity levels; 1. The Initial Level; 2. The Repeatable Level; 3. The Defined Level; 4. The Managed Level; 5. The Optimizing Level.
- (f) A subsidiary company must have more than 50% of its equity shares owned and held by the parent company.

(3) TYPES OF SITES:

The Urban Layout and Urban Planning Guidelines of an Information Services Park must facilitate the construction of modern, high technology, commercial workspace so as to enable all aspects of information work in a coordinated and efficient manner. Such Parks may consist of one or more of the following types of sites.

- (a) **Main Campus Sites** will measure at least 6 acres in area and will be put to use for construction of an independent campus for the exclusive use of the allottee only. These sites may be allotted only to those enterprises which satisfy the relevant allotment criteria.

- (b) **Small Campus Sites** may measure between 2 acres to 6 acres in area and, like the main campus sites would be developed as a self-contained Campus with one or more independent buildings, for the exclusive use of the allottee only.
- (c) **Build-to-suit sites** may consist of independent buildings which may be let out on lease or rent or which may be alienated by sale of an apartment or a floor of the building for use by occupiers including the allottee, for authorized purposes.

Sites of any size may be earmarked as Built-to-suit sites. Such sites may be allotted to a transferee for its own use, or for the development of built up space by the transferee for use by others as office space, commercial space, working space etc. Such transferee may alienate all or part of the built up space or the site, subject to conditions of allotment.

These sites may be of the following types:-

- i) **Build-to-suit Sites for developers**

These may consist of buildings to be constructed and managed by professional developers who would then lease or sell the Ready Built Space so constructed by them to eligible Information Services Companies.

- ii) **Build to suit sites for IT/ITES/BPO Enterprises**

These would consist of independent buildings for exclusive use by the IT/ITES/BPO *enterprises* to whom the sites are allotted.

- iii) **Build to suit sites for High end Software/R&D work**

These would consist of independent buildings for exclusive use by Software/R&D companies to whom the sites are allotted.

(d) Adjunct Sites may be used for such purposes relevant to or ancillary to, the development and functioning of the Information Services Park and may include sites for the purpose of providing infrastructure, recreation, sports, cultural activities, retail outlets, office services, hotels, restaurants, food courts etc.

Provided that Adjunct Sites may be used by, or may cater to, persons who may or may not be working in the Park, given that the use of the site shall be consistent with the urban plan and controlled development of the Park.

(4) ELIGIBILITY FOR ALLOTMENT OF MAIN CAMPUS SITES

Enterprises which fulfill the following criteria on the date of applications will be eligible for consideration as applicants for the allotment of Main Campus Sites:

- (i) A Limited Company with turnover in the Information services sector of a minimum Rs.500 crore or its equivalent in US Dollars per annum in each of the last two years.
- (ii) Availability of Funds for making investment in the campus to the tune of Rs.50 crore over the next three years and availability of at least Rs.25 crore immediately.
- (iii) Sufficient numbers of qualified professional staff employed by the Company itself, not counting staff on the rolls of affiliates, sub contractors etc.
- (iv) Plan of Action for establishing the proposed Information Services with a focus on software development/design and software maintenance and to make the required investment, in a time bound manner within three years.
- (v) Preference in the allotment of a main campus site will be given on enterprises engaged primarily in high-value added activities such as software design and development, as distinct from other information services such as information technology enabled services.
- (vi) Internationally recognized certification of software development capability equivalent to CMM - SEI level 5 certification for a period of at least 2 years, and ISO-9000 or higher certification.
- (vii) The intending allottee shall make an application to the Estate Officer in Form 'A' together with an affidavit attested by an Oath Commissioner or Magistrate 1st Class affirming all facts which make him eligible for allotment of a site.
- (viii) Copies of balance sheet, documentary evidence of number and categories of staff employed and turnover be enclosed.

(5) ELIGIBILITY FOR THE ALLOTMENT OF SMALL CAMPUS SITES

The following enterprises will be eligible for consideration as applicants for the allotment of small campus sites:

- (i) A Limited Company with turnover in the Information Services Sector of a minimum Rs.100 crore or its equivalent in US dollars per annum in each of the last two years.

- (ii) Availability of funds for making investment in the campus to the tune of Rs.20 crore over the next 3 years and availability of atleast Rs.10 crore immediately.
- (iii) Sufficient numbers of qualified professional staff employed by the Company itself, not counting staff on the rolls of affiliates or sub-contractors etc.
- (iv) Plan of action for establishing the proposed Information Services on the site and to make the required investment in a time-bound manner with three years.
- (v) Preference will be given to high value added activities of software development and design and software maintenance as compared to other information services.
- (vi) The intending allottee shall make an application to the Estate Officer in Form 'A' together with an affidavit attested by an Oath Commissioner or Magistrate 1st Class affirming all facts which make him eligible for allotment of a site.
- (vii) Copies of balance sheet, documentary evidence of a number and categories of staff employed and turnover be enclosed.

(5-A) ALLOTMENT OF BUILT-TO-SUIT SITES:

The following types of enterprises will be eligible for consideration as applicants for the allotment of Build to suit sites for Developers.

- i) The Administration may allot such a site to a Limited Company in consideration for an equity stake or debentures (bonds) issued by the transferee Limited Company. The terms and conditions of such allotment shall be as specified by the Administration.
- ii) The Administration may, for the purpose of such allotment enter into a joint venture agreement with the transferee Limited Company.
 - (a) The Administration may allot such a site to a limited company which is a developer and which has given in writing an application and a letter or letters of intent in writing from an Information Services company or companies eligible under these rules for large campus sites, small campus sites or Build to Suit Sites to the extent of intent to occupy atleast 50% of the maximum allowable built up space to be created by the Developer at the said site.

- (b) The Administration may for the purpose of such an allotment as envisaged in 5-A(ii)(a) above allot the land to the developer for exclusive use by one or more of such eligible companies.
 - (c) Such sites would not be used by the developer for its own use.
 - (d) In case the said Developer is not able to construct and occupy the said building as per the terms & condition of these rules contained in Rule 7(3), applicable penalties will be levied upon the said Developer and action may be taken under the applicable rules.
- iii) The Administration may allot/auction such sites under the Chandigarh (Sale of Sites and Buildings) Rules, 1960 framed under the Capital of Punjab (Development & Regulation) Act, 1952 or on such terms and conditions as it deems fit.
 - iv) The intending allottee shall make an application to the Estate Officer in Form 'A' together with an affidavit attested by an Oath Commissioner or Magistrate 1st Class affirming all facts which make him eligible for allotment of a site.
 - v) Copies of balance sheet, documentary evidence of number and categories of staff employed and turnover be enclosed.

(5-B) ELIGIBILITY FOR ALLOTMENT OF BUILT-TO-SUIT SITES FOR IT/ITES/BPO ENTERPRISES

The following types of enterprises will be eligible for consideration as applicants for the allotment of Build to suit sites for IT/ITES/BPO enterprises.

- i) Annual turn over in IT/ITES/BPO operations of a minimum Rs.10 crores or its equivalent in for US Dollars per annum in each of the last 3 years.
- ii) The enterprise should have been carrying out IT/ITES/BPO operations for at least 5 years before the date of application.
- iii) The enterprise should have a minimum of 100 employees on its rolls at the time of application.
- iv) The Administration may allot/auction such sites under the Chandigarh (Sale of Sites and Buildings) Rules, 1960 framed under the Capital of Punjab (Development & Regulation) Act, 1952 or on such terms and conditions as it deems fit.
- v) The intending allottee shall make an application to the Estate Officer in Form 'A' together with an affidavit attested by an Oath Commissioner or

Magistrate 1st Class affirming all facts which make him eligible for allotment of a site.

- vi) Copies of balance sheet, documentary evidence of number and categories of staff employed and turnover be enclosed.

(5-C) ELIGIBILITY FOR ALLOTMENT OF BUILT-TO-SUIT SITES FOR R&D/SOFTWARE WORK.

The following types of enterprises will be eligible for consideration as applicants for allotment of Built to suit sites for R&D/Software work

- i) The company should be registered for the last two years and should have been operating in IT/ITES sector during this period.
- ii) The company should have the capacity to invest a minimum of Rs.50 lacs at the premises within one year.
- iii) The company should have a certificate from STPI that they have the capacity to sustain their activities on a long term basis.
- iv) The company will not be allowed to transfer or sublet the premises for a minimum period of 6 years.
- v) The allotment will be conditional and will depend on the fact that the company will build and occupy the space within 1 year from the date of allotment otherwise the site will be resumed.
- vi) The Administration may allot/auction such sites under the Chandigarh (Sale of Sites and Buildings) Rules, 1960 framed under the Capital of Punjab (Development & Regulation) Act, 1952 or on such terms and conditions as it deems fit.

(6) PREMIUM :

The premium per square yard for the sites to be allotted shall be determined and revised by the Chandigarh Administration from time to time.

(7) TERMS AND CONDITIONS OF ALLOTMENT:

- (1) Unless otherwise specified the site shall be allotted by sale of ownership rights on free hold basis.
- (2) The allottee shall be liable to pay charges for maintenance and for provision of amenities as determined by the Administration from time to time.

(3) The consideration for allotment shall be payable as follows:

- i) The applicant shall pay 25% of the premium within 60 days of the issue of the letter of allotment, including any earnest money or deposit already paid.
- ii) The balance of premium may be paid either in lump sum within 180 days of the issue of the letter of allotment or in 3 equated installments with interest at the rate of 10% per annum compounded annually. The first installment shall be payable within one year from the date of issue of the allotment letter with interest payable from the allotment date. The rate of interest for delayed payments shall be 18% per annum compounded annually. The allottee shall complete the minimum required buildings, plans and equipment or shall make the minimum required investment on the site as the case as specified in the detailed terms and conditions of allotment, within a period of 3 years from the date of issue of the allotment letter, unless otherwise specified under these rules.

Provided that this period may be extended to the extent that there is any delay in offering the possession of the site to the allottee beyond 30 days from the date of issue of the allotment letter.

Provided also that the due date for payment of installment and the date from which interest is to be charged would be extended likewise in case of delay beyond 30 days, in offering the possession of the site.

- iii) In the event that the allottee requires an extension of time period beyond three years to complete the requisite building structures or equipment or to make the requisite investment, extension of time for one year shall be allowed upon payment of a sum of money equal to one annual equated installment mentioned in sub-rule (ii) above. This amount shall be payable up to the end of the 4th year from the date of issue of letter of allotment. Similarly, if extension of time is required after the expiry of 4 years of allotment this maybe allowed upon payment of a sum equal to one annual equated installment mentioned in sub-rule (ii). No further extension of time will be allowed after 5 years.
- iv) If the payment is not made in accordance with these Rules up to three months in all, from the date on which installment is originally due, the Estate Officer may after issuing notice to the allottee and affording him an opportunity of being heard, cancel the allotment and forfeit an the amount not exceeding 10 percent of the whole of

the premium payable. Upon such cancellation the Estate Officer shall take possession of the site. The allottee shall be entitled to compensation for the depreciated value of buildings and structures, as determined by the Estate Officer.

- (4) A breach of any of the terms and conditions of the allotment or of the Chandigarh Sale of Sites and Buildings Rules, 1960, shall entitle the Administration to take remedial action in accordance with the terms and conditions of the allotment, as well as the said rules.

8. USE OF SITES :

- (a) The sites and the buildings and structures thereon shall be used by the allottees, occupiers, tenants or any other users specifically and only for the purposes described in the letter of allotment and the detailed terms and conditions. These purposes may include the provision of information services such as software development and IT enabled services, other related non-polluting activities, as also the provisions of support facilities such as canteen, catering, sports, entertainment, security etc. upto 20% of the total built area.
- (b) **CHANGE OF USE :** Change of use of campus sites may be permitted on an application by the allottee provided that the following conditions are fulfilled, namely:-
- i. The proposed use is one of the permitted uses for campus sites in the Information Services Park.
 - ii. The proposed use is compatible with the nature of the site. Permission may be granted upon payment of conversion charges as determined from time to time by the Chandigarh Administration.

9. TRANSFER OF CAMPUS SITES :

- a) Transfer of campus sites by the allottee shall not be allowed for a period of 10 years from the date of allotment, or till all dues are fully paid, whichever is later.
- b) In the event of the allottee company being merged with another company or in the event of a split of the allottee company, or the selling up of a subsidiary by the allottee company, in accordance with statutory provisions and with the permission of the concerned regulatory authorities, the consequent substitution of name of the allottee may be allowed prior to the expiry of the period mentioned in sub rule (a) above, for the reasons to be recorded in writing.

- c) In all cases of transfers or substitution the transferee, the new entity must satisfy in every respect the conditions of eligibility for allotment of the site in question as on the date of the application for transfer or substitution.
- d) Permission for transfer may be granted on payment of transfer charges as determined from time to time.

10) PENALTIES :

- a) An allottee who misuses the site or the building or structures thereon or converts the use of such site, buildings or structures without prior permission shall be liable for resumption by the Estate Officer of the site along with the buildings and immovable structures thereon.
- b) The orders for resumption of the site shall be passed by the Estate Officer after giving reasonable notice and an opportunity of being heard to the allottee who may be given time to remove violations or objections or make the required payment within a maximum period of 90 days from the date of notice.
- c) The allottee / transferee shall be bound by the byelaws, rules and regulations framed under the (Capital of Punjab (Development and Regulation) Act 1952 specially for building plans, construction standards and all other issues relating to the construction and use of buildings and sites. Failure to comply with the said byelaws, rules or regulations, shall, without prejudice to the remedies available under the said byelaws, rules and regulations, make the allottee/transferee also liable for resumption of the site.
- d) In the event of the resumption of the site, the allottee/transferee shall hand over physical possession of the site, the building and immovable structures thereon without any claim for compensation or damages. Thereafter the site, building and structures thereon may be utilized or disposed of by the Estate Officer as it may deem fit.
- e) The allottee shall be liable to make timely payment of the consideration money whether in lump sum or in instalments, and in the event of delay he shall be liable for resumption of the site, building and structures thereon.

11. GENERAL PROVISIONS :

The general provisions of the Capital of Punjab (Development & Regulation) Act, 1952 and Chandigarh (Sale of sites and buildings) Rules, 1960 as amended from time to time shall apply to the extent that specific provisions have not been made herein.