

# Procedure for Acquiring Industrial Plot in Punjab



**Small and Medium Enterprises Development Authority**

**Ministry of Industries & Production**

**Government of Pakistan**

**[www.smeda.org.pk](http://www.smeda.org.pk)**

**HEAD OFFICE**

4<sup>th</sup> Floor Building # 3, Awan-e-Iqbal Complex Edgerton Road  
Lahore  
Tel: (92 42) 111 111 456 , Fax (92 42) 3 6304926- 7  
[helpdesk@smeda.org.pk](mailto:helpdesk@smeda.org.pk)

REGIONAL OFFICE PUNJAB	REGIONAL OFFICE SINDH	REGIONAL OFFICE KPK	REGIONAL OFFICE BALOCHISTAN
3 <sup>rd</sup> Floor, Building No. 3, Aiwan-e-Iqbal Complex, Edgerton Road Lahore, Tel: (042) 111-111-456 Fax: (042) 36304926-7 <a href="mailto:helpdesk.punjab@smeda.org.pk">helpdesk.punjab@smeda.org.pk</a>	5 <sup>TH</sup> Floor, Bahria Complex II, M.T. Khan Road, Karachi. Tel: (021) 111-111-456 Fax: (021) 5610572 <a href="mailto:helpdesk-khi@smeda.org.pk">helpdesk-khi@smeda.org.pk</a>	Ground Floor State Life Building The Mall, Peshawar. Tel: (091) 921304647 Fax: (091) 286908 <a href="mailto:helpdesk-pew@smeda.org.pk">helpdesk-pew@smeda.org.pk</a>	Bungalow No. 15A Chaman Housing Scheme Airport Road, Quetta. Tel: (081) 831623, 831702 Fax: (081) 831922 <a href="mailto:helpdesk-qta@smeda.org.pk">helpdesk-qta@smeda.org.pk</a>

**February 2021**

## Table of Contents

1. Legal Services, SMEDA-Punjab.....	3
2. Purpose of the Document.....	3
3. Disclaimer .....	3
4. Words and Phrases .....	4
5. Background.....	4
6. Relevant Law:.....	5
7. Objectives of the Punjab Government to Establish Industrial Estates: .....	7
8. Classification of Industrial Estates Punjab: .....	8
9. Relevant Authority.....	8
9.1 Industrial Estates under Punjab Small Industries Corporation (PSIC):.....	9
9.2 Operational Projects of PSIC:.....	9
9.3 Upcoming Projects of PSIC:.....	9
10. Infrastructure and Facilities in Industrial Areas:.....	10
11. Procedure to Acquire Industrial Plot in Industrial Estate .....	11
11.1 Transfer of Plots .....	11
11.2 General Conditions for Applicants.....	11
11.3 Operation Schedule .....	12
11.4 Documents to be attached for Companies.....	13
11.5 Documents to be attached for Firms / AOPs .....	13
12. Process Flow Chart of Acquiring Industrial Plot(s) in Punjab.....	14
13. Application of Force Majeure Clause:.....	15
14. Application Form and Availability of Industrial Plot: .....	15
15. Contact Details of Relevant Organizations: .....	16

## **1. Legal Services, SMEDA-Punjab**

The Legal Services (LS) is a part of Punjab office of the Small Medium Enterprises Development Authority (SMEDA) and plays a key role in providing an overall facilitation and support to the small and medium businesses. Information dissemination among the SMEs on the existing regulatory, operational and environmental related legal matters and business to business and business to client contracting is of paramount importance and plays a pivotal role in their sustainable development.

## **2. Purpose of the Document**

This booklet aims to provide a uniform information about running and upcoming projects of industrial estates in the Punjab region which also includes information about tax amnesties and tax holidays, utility connections, labour training and custom related facilities for import and export to the businesses fall in the particular industrial estate(s) in Punjab.

## **3. Disclaimer**

The information contained in this template is meant to facilitate the businesses in getting uniform information about running and upcoming projects of industrial estates in the Punjab region.

All information contained in this document may be freely used provided that relevant acknowledgement is accurately quoted with each usage. However, SMEDA disclaims the decision based on the subject regulatory procedure / information.

#### 4. Words and Phrases

AOP	Association of Persons
FIEDMC	Faisalabad Industrial Estates Development and Management Company
Industrial Estate	An area zoned and planned for the purpose of industrial development.
Industrial undertaking	An undertaking pertaining to an industry (including any industry ancillary thereto) carried on or to be carried on, in any local area, at a place or premises, including precincts thereof, wherein twenty or more workers without the aid of power, or ten or more workers with the aid of power, were working on any day during the twelve months for the manufacture or processing of goods or commodities.
Manufacturing Unit	Industrial Unit
NADRA	National Database & Registration Authority
NIP	National Industrial Parks
PBIT	Punjab Board of Investment Trade
PIEDMC	Punjab Industrial Estates Development and Management Company
PSIC	Punjab Small Industries Corporation
Precincts	The area within the walls or perceived boundaries of a particular building or place.
SIE	Sunder Industrial Estate
SSI	Small Scale Industries

#### 5. Background

The program of Industrial Estates as an instrument to achieve breakthrough in the development of small-scale industries was accepted in the Punjab Province during the

First Five Year Plan (1955-60). The objectives of setting up the Industrial Estates vary from time to time and area to area depending on economic background and developmental needs. The Industrial Estates Program of the Punjab combined all the important schemes of assistance to small enterprises to provide a tool for their integrated development. The primary objective of the program was the rapid development of small scale industries by having the advantage of common services and other facilities such as good sites, electricity, water, gas and etc.

## **6. Relevant Law:**

The law relating to the use of land for industrial purposes is governed by the Land Used Rules 2020. The notification and relevant provisions of the same are given below:

Notification No. SO (H-II) 5-2/81 by the Government of the Punjab:-

### **Rule # 10:**

**Land use of Industrial Area.** – The Authority shall ensure that the following land use provisions under permitted, permissible and prohibited uses are strictly followed in an industrial area:

(1) Approved industrial area:

The permitted, permissible and prohibited land uses shall be in accordance with the approved scheme of an industrial area;

(2) Established built-up area and industrial corridor (IC2):

### **(a) Permitted uses:**

The Authority shall permit following uses in an established built up area and IC2 area:

- (i) Cottage or light industry;
- (ii) Construction equipment;
- (iii) Warehouse, storage or distribution center;
- (iv) Building Material store;
- (v) Fire station; and
- (vi) Loading and Unloading place:

**(b) Permissible uses:**

Subject to rule 18, a Competent Authority may grant permission for any of the following uses:

- (i) Medium industry;
- (ii) Petrol pump or gas station;
- (iii) Essential residential, commercial or educational facility for laborers or employees; and
- (iv) Police Station, post office

**(c) Prohibited uses:**

The Authority shall not allow a person to use a property in an industrial area for a purpose which is neither permitted nor permissible. Notwithstanding the provisions under (a) & (b) above, following acts shall also not be permitted in an established built up area and IC2:

- (i) storing, packing, pursing, cleaning, preparing, and manufacturing of blasting powder, ammunition, fireworks, gun powder, sulphur, mercury, gases, nitro-compounds, phosphorous, dynamite;
- (ii) storing explosives, petrol, oil, lubricants, and other inflammable materials including coal, chemicals, liquids or otherwise cleaning dying, preparing and manufacturing of cloth or yarn in indigo or other colour;
- (iii) storing, processing, cleaning, crushing, melting, preparing or manufacturing and dealing in bombs, tallow, offal, fat blood, soap, raw or dry hide or skin, washing or dying wool or hair; and
- (iv) Casting of heavy metals, electro plating, welding, marble cutting and polishing, manufacturing of cement or pipes, burning or grinding of lime stone, metal or use of any other obnoxious or hazardous material:

**Rule # 11. Peri-urban Area:-**The Authority shall ensure that the area that spans the landscape between contiguous urban development and rural countryside with low population density and is predominantly being used for agricultural activity and is likely to be urbanized in the next twenty years is notified as peri-urban area.

**Rule # 12. Land Use in Peri-urban Area: -** The Authority shall ensure that the land use provisions under permitted, permissible and prohibited uses prescribed for residential, commercial, institutional, industrial and notified area land uses are strictly followed in the peri-urban area as follows:

**(a) Permitted use:**

The Authority shall permit land uses in the peri-urban areas in accordance with the approved peri-urban structure plan:

**(b) Permissible use:**

The Authority, subject to rule 18, may grant any of the permissible uses in accordance with the approved peri-urban structure plan:

**(c) Prohibited use:**

The Authority shall not allow a person to use a property in a peri-urban area for a purpose which is neither permitted nor permissible in the approved peri-urban structure plan.

**7. Objectives of the Punjab Government to Establish Industrial Estates:**

The Government of the Punjab had the following objectives in establishing Industrial Estates:

- To provide factory plots at suitable sites at economic rates to Small Scale Industry (SSI) units with necessary facilities such as water, power, common workshop and service facility, internal roads, watch and ward, transport, canteen, post office, banks etc.
- The economic development of comparatively backward areas by encouraging the establishment of new industries by small investors with all the economic benefits of a planned unit, including roads, water, power, and sewage facilities, and social services such as bank, post office and dispensary for the care of industry and the needs of workers.
- The modernization of existing industry by advice and example through the provision of technical advisory services.
- The dispersal and balanced regional development through relocation of industries in semi-urban, rural and backward regions.
- Employment and training possibilities for the labor force in the healthy environment.
- Adequate common facilities to equip the industrial units for achieving specialization and modernization.

- Testing facilities to enforce and maintain standards, ease in provision of technical, managerial, counseling and training services and central processing and servicing facilities.

## 8. Classification of Industrial Estates Punjab:

The Industrial Estates of the Punjab can be divided into three classes:

- i. Large
- ii. Small
- iii. Mini

The classification is made on the basis of size. The estate which consists of less than 50 acres area is declared as mini Industrial Estate, the estates of Gujar Khan, Lahore-I and Chakwal fall under this category. If the area of estate is more than 50 acres it is called is a small Industrial Estate like Sunder Industrial Estate. The large are kotlakhpat Industrial Estate (Lahore) and SIE- Faisalabad with the area of 565 acres and 244 acres respectively.

## 9. Relevant Authority<sup>1</sup>

Housing, Urban Development and Public Health Engineering Department – Government of Punjab is the Authority to regulate all the Industrial Estates. However, the administrative control lies with managing companies in Punjab. The main companies are as under:

- Punjab Industrial Estates & Development Company (PIE)
- Faisalabad Industrial Estate Development & Management Company (FIEDMC)<sup>2</sup>
- Punjab Small Industries Corporation (PSIC)

These are private-sector led authorities and classical example of private public partnership for speedy and sustainable industrialization by establishing a network of modern and new Industrial Estates offering one-window facilities to entrepreneurs. Vision

---

<sup>1</sup> Website of Housing, Urban Development and Public Health Engineering Department – Government of Punjab

<sup>2</sup> Website of FIEDMC

of these companies is to create employment opportunities in the Punjab Province through promotion of small and medium scale industries.

### **9.1 Industrial Estates under Punjab Small Industries Corporation (PSIC)<sup>3</sup>:**

Punjab Small Industries Corporation (PSIC) has established many Small Industries Estates across the Province. These Industrial Estates are managed by PSIC Regional Directors / Head Office. PSIC Management has recently devised a major policy shift by constituting a Board of Management, for each SIEs, comprising of Industrialists representation in the respective Estates.

The Board will be responsible for controlling all operations including determination and collection of different fees and charges / penalties and spend the same on the maintenance of the SIEs. Besides it would devise policies for the improvement / development of the SIEs, and frame rules / SOP for running it. The ownership of SIE will however, remain with the Corporation.

### **9.2 Operational Projects of PSIC:**

- i. Sundar Industrial Estate at Sundar, Lahore.
- ii. Up gradation of Quaid-e-Azam Industrial Estate Lahore
- iii. Up gradation of Multan Industrial Estate Phase-I.
- iv. Development of Multan Industrial Estate Phase-II.
- v. Industrial Estate at Rahim Yar Khan.
- vi. Faisalabad Industrial Estate

### **9.3 Upcoming Projects of PSIC:**

- I. Gujrat Industrial Estate.
- II. Vehari Industrial Estate.
- III. Leather Industrial Park at Sua Asil (Distt. Kasur).

---

<sup>3</sup>Website of PSIC

- IV. D. G. Khan Industrial Estate.
- V. Okara Industrial Estate.
- VI. Bahawalpur Industrial Estate.
- VII. Rawalpindi Industrial Estate.

#### 10. **Infrastructure and Facilities in Industrial Areas:**

The effectiveness of Industrial Estates is however, to a large extent related to their location. The Industrial Estates in the Punjab are located in selected sites in urban and rural/semi urban areas, keeping in view the broad objectives. The majority of the Industrial Estates in the Punjab have been established in small cities, with a view to promote industrialization of rural areas and averting further concentration of population in large urban centers.

Facilities like transport and communication, banking, market etc. differ from estate to estate depending on location. An overview of the available infrastructure facilities in the Industrial Estates of the Punjab is given below in the Table.

Sr. No.	Facilities
1	Roads
2	Drainage
3	Electricity
4	Water
5	Telephone
6	Tool Room
7	Testing Centers
8	Post Office
9	Raw Material Depot
10	Training Centers
11	Bank
12	Railway Siding
13	Warehouse
14	Canteen
15	Fire Service
16	Security
17	Medical Aid
18	Recreation Center
19	Sales Emporium
20	Display/Show Room

## **11. Procedure to Acquire Industrial Plot in Industrial Estate**

The process of getting industrial plot depend upon the conditions attached by the managing company, however generally the process may be divided into following main steps:

- i. Transfer of Plots
- ii. General Conditions for Applicants
- iii. Operation Schedule
- iv. Documents to be attached for Companies
- v. Documents to be attached for Firms/AOPs
- vi. Price Structure

### **11.1 Transfer of Plots <sup>4</sup>**

No allottee(s) shall be allowed to re-sell and transfer in any way whatever, plot(s) rights therein, to any third party/parties prior to execution of final Sale Deed.

- i. At the time of 100% payment of the plot, an Agreement to sell will be executed in favor of allottee(s). Final Sale Deed shall be executed on the completion of project and after obtaining a Completion Certificate from the Managing Company (MC).
- ii. In every eventuality, the Managing Company (MC) shall have an exclusive right to re-purchase plot from allottee(s) at the price on which it was sold to him/them, after deducting 5% or any specified by the concerned Managing Company (MC) as service charge and/or after recovery of any other outstanding liability/liabilities.
- iii. In case of demise of allottee(s) after allotment prior to execution of Agreement to Sell or Final Sale Deed, his/their legal heir(s) shall be entitled to all rights available to allottee(s) as the case may be. Such legal heir(s) shall be bound by the same terms and conditions and before entering into any supra-referred Agreement(s) shall give his/their similar undertaking also.

### **11.2 General Conditions for Applicants**

- i. Submission of an Application along with full payment of the plot does not entitle the Applicant to the right of allotment until final approval by the competent authority.

---

<sup>4</sup> Website of PIEDMC

- ii. Application must accompany “The Letter of Intent” signed and stamp by the applicant on Rs. 200/- stamp paper as per Managing Company’s format.
- iii. Managing Company (MC) reserves the right to reject any Application without assigning any reason thereof.
- iv. The units established in industrial estate are required to meet national environmental laws and standards and any other regulations set by the Estate.
- v. Any change in nature of business and/or line of production shall be permissible only after obtaining a No Objection Certificate (NOC) from Managing Company (MC).
- vi. The Applicant(s) undertakes that the instant pre-conditions &/or any future bye-laws &/or standards applicable in industrial estate shall be binding on him/them and shall be complied with.
- vii. Any false or misleading information/statement may result in rejection of Application and/or cancellation of allotment.
- viii. You will be bound to take physical possession of the Plot(s) within stipulated days of being intimated about the same by Managing Company (MC).
- ix. Only NIC(s) issued by NADRA will be entertained. Applicant(s) possessing old NIC(s) should submit copy of receipt(s) issued by NADRA for issuance of computerized NIC(s) along with copy of old NIC(s). Plots being limited, will be sold on First Come First Served basis or balloting where required. Failure to submit any prescribed document(s) may result in delay in processing, unless the cause is notified.

### **11.3 Operation Schedule**

- i. Construction of project shall commence within specified time from the date of execution of Agreement to Sell. The project shall be completed within specified months from the date of execution of Agreement to Sell. It is clarified that Managing Company (MC) will make available water and electricity, in case they are not available at the time of entering into Agreement to Sell, the time frame is to be calculated from the day the supra-referred utilities are made available.
- ii. Any violation of pre-conditions, bye-laws and/or building regulations of industrial estate may result in cancellation and subsequent re-possession of the plot.
- iii. Management & Service (operational and maintenance / other) Charges shall be applicable as per actual, notified from time to time.

- iv. Any violation of pre-conditions, bye-laws and /or building regulations of industrial estate may result in cancellation and subsequent re-possession of the plot, against refund of the price on which the plot(s) was purchased by allottee(s) after deducting 5% or other specified amount as service charge and /or after recovery of any other outstanding liability (ies).

#### **11.4 Documents to be attached for Companies**

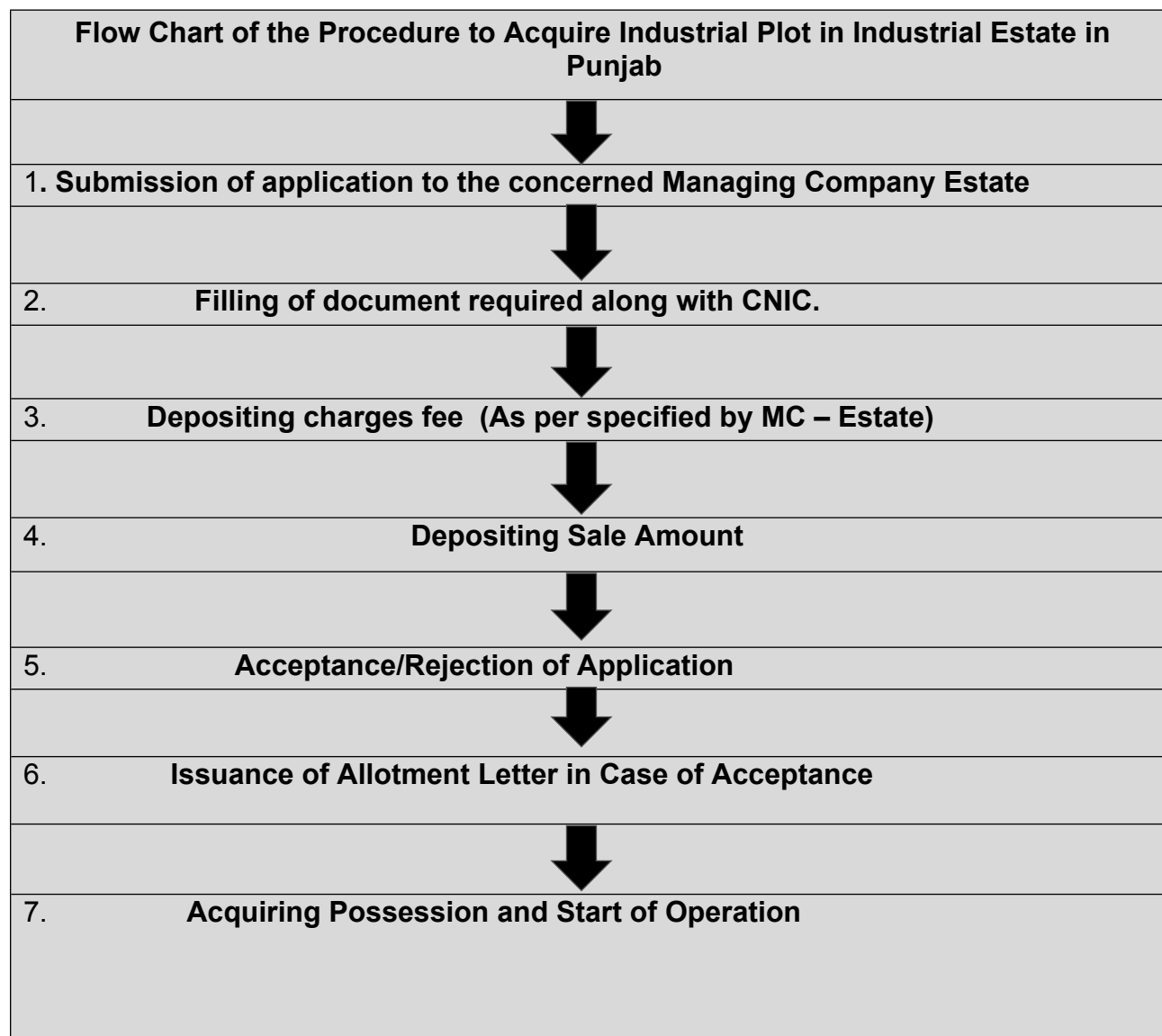
- i. Certificate of Incorporation;
- ii. Copy of Memorandum and Articles of Association, attested by Company Secretary;
- iii. Certificate of Commencement of Business (in case of Public Limited Company)
- iv. A Resolution to meet financial liabilities of the company;
- v. The name of the Director(s) authorized to sign the documents along with a resolution to purchase plot;
- vi. NTN number;
- vii. Undertaking that the company has a clean bank record;
- viii. Detail of any money decree against the company;
- ix. Copy of NIC of authorized director(s)
- x. Business Profile;
- xi. Environmental Undertaking;
- xii. Letter of Intent;
- xiii. Construction Plan / Schedule
- xiv. Post Dated Cheques

#### **11.5 Documents to be attached for Firms / AOPs**

- i. Partnership Deed;
- ii. An undertaking to meet financial liabilities of firm and name(s) of partner(s) authorized to sign documents;
- iii. Resolution of Partners regarding project
- iv. NTN Number;
- v. Undertaking that the firm has a clean bank record;
- vi. Detail of any money decree against the Partnership, Firm or AOP;
- vii. Copy of the NIC of the authorized partner(s);

- viii. Business Profile;
- ix. Environmental Undertaking;
- x. Letter of Intent;
- xi. Construction Plan / Schedule
- xii. Post Dated Cheques

## 12. Process Flow Chart of Acquiring Industrial Plot(s) in Punjab



### **13. Application of Force Majeure Clause:**

If by reasons of Force Majeure, Managing Company (MC) is wholly or substantially unable to carry out its functions/obligations under instant Application/conditional or Final Sale Deed, the Applicant(s) shall not be entitled to claim any rights or benefits against Managing Company (MC). Force Majeure constitutes but does not limit to war, rioting, floods, earth quake, lightening, terrorist acts, political changes, Civil commotion, blockade, insurrection, strikes, go-slow, tribal or ethnic conflicts, epidemic or plague, labor issues, legal restrictions, industrial disturbances or any other event beyond the control of Managing Company (MC).

### **14. Application Form and Availability of Industrial Plot:**

Every Industrial Estate through its managing company offers industrial plots to business enterprises. The information of industrial plots in terms of availability, size and price may be accessed at the following links.

<https://pie.com.pk/apply-online>

[https://fiedmc.com.pk/?page\\_id=551](https://fiedmc.com.pk/?page_id=551)

<http://www.psic.gop.pk/index.php/joomla1/presets1/application-forms>

**15. Contact Details of Relevant Organizations: <sup>5</sup>**

<b>Sr. No.</b>	<b>Name of Organization</b>	<b>Address</b>	<b>Ph No.</b>	<b>E-mail / website</b>
<b>1.</b>	Punjab Industrial Estates Development and Management Company (PIEDMC)	Sundar Industrial Estate, Lahore, Punjab	(042) 35297203	<a href="https://www.pie.com.pk/">https://www.pie.com.pk/</a>
<b>2.</b>	Faisalabad Industrial Estates Development and Management Company (FIEDMC)	1st Floor, FCCI Complex, East Canal Road Zia Town near Kashmir Bridge Faisalabad, Punjab, PK	(041) 9230231	<a href="http://fiedmc.com.pk">fiedmc.com.pk</a>
<b>3.</b>	Punjab Small Industries Corporation (PSIC)	Ground Floor, Alfalah Building, The Mall, Lahore. Pakistan.	042-99200439	<a href="http://www.psic.gop.pk/">http://www.psic.gop.pk/</a>
<b>4.</b>	National Industrial Parks (NIP)	2nd Floor, Block-C, Finance & Trade Center, Shahrah-e-Faisal, Karachi 74400, Pakistan.	(92-21) 9922 5035-9	<a href="mailto:info@nip.com.pk">info@nip.com.pk</a>
<b>5.</b>	Punjab Board of Investment Trade (PBIT)	23 Aikman Rd, G.O.R. - I, Lahore, Punjab	(0429) 920 520 106	<a href="https://invest.gov.pk">https://invest.gov.pk</a>

<sup>5</sup> Website of PIEDMC,  
Website of FIEDMC

Website of Housing, Urban Development and Public Health Engineering Department – Government of Punjab