

Quarkcity Project

Government of Punjab has signed a revised agreement with M/s Quarkcity India Private Limited in pursuance of a previous agreement signed in year 2003 that was quashed by Punjab & Haryana High Court in 2010 on the grounds of violation of Punjab Land Reforms Act, 1972. The promoter has planned to develop and establish a Mixed-use Industrial Park over an area of 51.3 acres at Industrial Area Phase 8 Extension, Mohali already allotted by the government. An investment of Rs 320 Crores has already been made by the promoter on the project since 2003. The state government has now removed all objectionable clauses that violated any act before signing the revised agreement. The scope of agreement includes development of infrastructure by Quarkcity out of its own funds towards creation of the park. The entire set of activities including project designs, engineering, financing, construction, operation and maintenance etc shall be undertaken by the promoter at its own cost. The agreement has been signed by Department of Information Technology on behalf of the state government.

Out of the total covered area, 60% is to be developed for Industrial purposes for setting up of Information Technology(IT), Information Technology Enabled Services (ITeS), Business Process Outsourcing (“BPO”), Communications, Electronics, Bio-Technology, Knowledge Based High-Tech Industries and Non-Polluting Manufacturing Industries. 25% of this area will be used for development of Hotels, Integrated Multiplexes, Malls and Convention Centers. 30% of total area will be developed as Residential and 10% as Commercial.

As per agreement, the promoter is required to make a minimum fixed capital investment of Rs. 500 Crores on the Project for which State Government has agreed to grant various concessions to the promoter so as to create a conducive investment climate. The agreement is effective from the date of its execution i.e. 30.6.2017 and will continue upto 2.11.2023. The agreement has ensured that the concessions already granted will remain alive and applicable to the extent already availed by the promoter after signing of original agreement in 2003.

Some of the other salient features of the proposed agreement are as following:

- (a) The promoter has planned to develop and establish the Industrial Park over an area of 51.3 acres out of which 46.34 acres was allotted by the Punjab Information and Communication Technology Corporation and 4.96 acres was allotted separately by Punjab Small Industries and Export Corporation Limited at Industrial Area Phase 8 Extension, Mohali.
- (b) The promoter is required to make a minimum fixed capital investment of Rs. 500 Crores on the Project and promoter has already made an investment of Rs. 320 crores from October 2002 onwards
- (c) Main incentives under the agreement include the following:
 - (i) Exemption from payment of enhancements of land compensations awarded by the Courts, development and improvement charges
 - (ii) Approving land use/change of land use for industrial, residential and commercial use
 - (iii) FAR of 3 has been allowed
 - (iv) Exemption of Additional stamp duty of 3% in respect of 4.96 acres of plot allotted by PSIEC
 - (v) Exemption from paying 1% Infrastructure Cess
 - (vi) Exemption from payment of Electricity duty (including Social Security Fund) for a period of five years from the date of release of connection to units inside the Project area
 - (vii) Exemption from land or building tax covering the project area, for a period of ten years from the date of completion of respective units
 - (viii) Exemption from payment of Octroi or any levy in lieu thereof in the Project Area
 - (ix) Exemption of property tax and any other similar charges
 - (x) Exemption from stamp duty (including Social Welfare Cess/ Additional Stamp Duty) and registration fees on sale /transfer of built up space of the units or land inside the Project areas upto the first sale to any third party during the subsistence of the Agreement
- (d) QuarkCity houses leading 53 IT/ITES Companies of the world such as IBM, Infosys, Emerson Electric, Fidelity Information Services (FIS), Evry, Bunge, CHC Consulting, Maropost etcetera.

- (e) 18 Multinational Companies that are already operating in QuarkCity have invested about Rs 900 Cr in its facility.
- (f) 6500 IT Professionals including highly skilled work force has been employed in the facility of QuarkCity at present. It is estimated that QuarkCity Facility shall create another 6000 jobs in next 5 years.
- (g) Exports to the tune of Rs. 2500 Cr has already taken place from QuarkCity Facility till date.