

**GOVERNMENT OF PUNJAB**  
**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**  
**(HOUSING-2 BRANCH)**

**Notification**

Dated: The February 20 2025

No. 18/05/2022-5Hg2/245 The Governor of Punjab exercising all the powers enabling in this behalf is pleased to issue the policy for utilization of External Development Charges received from various Promoter/Developers as follow:-

1. This Policy shall supersede all the existing Policies/instructions of this Department in this regard for the time being in vogue and shall be applicable from the date of its notification.
2. External Development Charges shall be utilized on the external development works which fall under the jurisdiction of the Authority but not for development works inside the Townships/ Projects/ Schemes of the Authority.
3. 50% of the External Development Charges received from the Promoters shall be utilized for providing External Development Works, which are confined to the periphery of a particular colony against which said EDC has been received, as given below:-
  - a) Road Connectivity
  - b) Sewerage Connection
  - c) Water Supply Connection
  - d) Cost of land acquisition for Road Work, Sewerage work etc.
  - e) User Charges to be deposited with any outside Authority
  - f) Grid Sewer or Sewer Lines for outflow of treated water from the project to the main STP of the area
  - g) Up-gradation of Existing Electric Grid Station or providing any other Electrical Services.
  - h) Any other work requested by the Developer and duly recommended by Chief Administrator of the concerned Authority.
4. Balance 50% of External Development Charges received from the Promoters shall be utilized on external development works including infrastructure works of public welfare, as given below:-
  - a) Major road network/Bypass including Acquisition of land
  - b) Water supply Network
  - c) Sewerage Network and disposal sites
  - d) Power Stations

- e) Social Infrastructure such as Education, Health, Public Buildings  
f) Any other work as directed by Government
5. No part of External Development Charges shall be utilized for any internal development work of a colony/project, which is the obligation of the promoter.
6. The Promoter will have to submit an application with the Competent Authority under the PAPR Act, 1995 in which he will mention the total amount of External Development Charges deposited by him and External Development works he wishes to get executed out of EDC Funds. One or more Promoters can jointly submit an application for external development works that they wish to be undertaken from EDC Funds, provided that such promoter/promoters shall have deposited up to date dues of EDC on the date of submission of application. As a broad principle, the Chief Administrator of the concerned Authority will agree with the request of the promoter/promoters on how their 50% share of EDC should be spent, even if it is only for one of the works mentioned at para 3 of this policy. In case the Chief Administrator chooses to disagree, he/she shall record the reasons in writing.
7. The Chief Administrators will propose the amounts to be spent from EDC to the Govt. The Minister in charge of the Housing and Urban Development Department would authorize an officer, not below the rank of Deputy Secretary, to examine and approve the proposals sent by the CAs.
8. If 50% component of the Promoter's deposited EDC available with Authority is less than the cost of external development work, the Promoter shall be bound to deposit the differential amount of EDC with the Competent Authority under PAPR Act, 1995.
9. The decision of the Competent Authority shall be final and binding.

**Dated:20-02-2025**  
**Chandigarh**

**Rahul Tewari, IAS**  
**Principal Secretary, Govt of Punjab,**  
**Department of Housing and**  
**Urban Development**

Endst. No. 18/05/2022-5Hg2/ 246

Dated: 20/2/2025

A copy is forwarded to the Controller, Printing and Stationary, Punjab, SAS Nagar with a request to publish this notification in the Punjab Govt. Gazette (Ordinary).

  
**Special Secretary**