

Estate Management Procedure (EMP) 2005
(incorporating amendments effected upto 7.01.2008)

INTRODUCTION:

The Industrial Policy 2005 announced by the State Government provides for the laying of guidelines for the management of estates, allotment, transfer, leasing, renting etc. of plots & other assets by the State Developing Agency and be governed by its own laid down policies / guidelines.

In line with the decision of the State Government, the Haryana State Industrial and Infrastructure Development Corporation Limited shall be governed by the following Estate Management Procedure hereinafter referred to as "EMP-2005".

For the purpose of implementation of the EMP-2005 the various industrial estates developed by the Corporation are being categorized as under:-

Category 'A'	Industrial Estates of Gurgaon, IMT Manesar, Faridabad, Industrial Estate/EPIP Kundli, Rai and Panchkula Technology Park
Category 'B'	Industrial Estates of Bahadurgarh, Bawal and Panchkula.
Category 'C'	All other Estates other than those mentioned above.

ALLOTMENT OF PLOTS

The allotment of plots/sheds will be on an ongoing basis in the following cases as provided in the Industrial Policy 2005: -

1. Projects having investment of Rs. 30 crore & above
2. Projects being set up by NRIs / PIOs
3. Units with 33% or more FDI in total investment
4. Allotment of land for IT Industry (Manufacturing and Software Development)

The applications in respect of all these categories shall be made to and processed by HSIIDC, as per Haryana Government Notification no. 2/1/22-1 IBII-2005 dt 24.05.2007 (Annexure-I).

Besides the above, the allotment of plots/sheds in Industrial Estates falling in category C, will also be on on-going basis.

For other categories, allotments will be made after inviting applications through advertisements in leading newspapers.

1.	Allotment of plots to projects having investment of Rs.30 crore and above will be made by the following committee:-	
(a)	Principal Secretary Industries	Chairman
(b)	MD, HSIIDC	Member
(c)	MD, HFC	Member
(d)	Director of Industries	Member
2	For other projects including those under FDI, NRI, PIO categories, IT industry (manufacturing & software development) and general category, allotments will be made by the following committee:-	
(a)	MD, HSIIDC	Member
(b)	MD, HFC	Member
(c)	Director of Industries	Member
	Senior-most member will act as Chairman of the Committee. At-least one member, besides MD, HSIIDC should be present in all meetings to complete the quorum. Substitution can be made in extreme exigencies with an officer of the level of at-least General Manager / Joint Director.	
3	There will be 10% reservation of plots/sheds in each Estate for allotment to NRIs/PIOs and for units with 33% or more FDI in total investment.	
3A	There will be upto 2% reservation of plots/sheds in each Estate for allotment to persons with disabilities as defined in the Persons with Disabilities (Equal Opportunities, Protection of Right and Full Participation) Act, 1995. For complete details in this regard, Haryana Government Notification No. 49/40/07/4IBI dated 13.03.2007 (<u>Annexure-II</u>) may be referred.	
4.	Preference will be given to the following categories of entrepreneurs.	
	<ul style="list-style-type: none"> • Ex-servicemen • Women • Unemployed Engineering Graduates/ polytechnic/ ITI trained candidates. • Expansion / shifting of existing units • Oustees on account of acquisition of land for that particular Estate within the terms & conditions of EMP. 	

PAYMENT OF PROCESSING FEE

The applicant shall be required to deposit application form alongwith processing fee (non-refundable) as hereunder:

Size of Plot (Sq. mtr.)	Category-A	Category B & C
Upto 500	Rs.5000/-	Rs.3500/-
501-1050	Rs.7500/-	Rs.5500/-
1051-4050	Rs.10000/-	Rs.7500/-
4051-8100	Rs.15000/-	Rs.10000/-
Above 8100	Rs.25000/-	Rs.17500/-

The fee levied by the Corporation will be inclusive of service tax, if applicable.

PAYMENT TERMS

- i. 10% along with application (earnest money)
- ii. 25% within a period of 30 days, further extendable for 30 days with interest @ 14% for the extended period.
- iii. In case of total balance payment in lumpsum a period of 60 days from the issue of RLA will be allowed without interest.
- iv. In the event of the allottee failing to make the payment of 25% price of the plot within 60 days' period, the RLA shall automatically lapse and the amount deposited by the allottee towards cost of the plot shall be refunded without any deduction.
- v. Remaining 65% in five equal half-yearly installments.
- vi. Interest @ 11% shall be charged on the balance outstanding after offer of possession of plot/shed. Default in payment of instalments shall entail interest @ 14% for the defaulted period on the defaulted amount.
- vii. In cases where the allottees approach HSIIDC for taking over possession of the plot in an area where possession has not been offered, the same can be allowed subject to the allottee giving a suitable undertaking for not claiming any relaxation in the period of implementation. In such cases interest shall be charged on the outstanding amount from the date of handing over the physical possession of plot.
- viii. In the event of any encumbrance(s) arising out of any other issue not finding mention in EMP-2005, the matter will be referred to Board of HSIIDC for taking a decision.

Note: In case of NRIs/PIOs, the funds towards the price of the plot should come from his / her NRI account.

The application form duly filled-in will be received by HSIIDC alongwith the following documents:-

- An undertaking to the effect that the applicant shall as far as possible employ 75% of unskilled work force and give preference for other categories to candidates from among the Haryana Domiciles in the proposed unit.
- 10% price of the plot alongwith applicable processing fee in the form of bank draft drawn in favour of HSIIDC payable at Panchkula as earnest money.
- Copy of the project report with details of plant & machinery, means of financing, profitability projections, implementation schedule etc.
- Copy of the partnership deed in case of partnership firm or Memorandum & Articles of Association in case of Pvt. / Public limited company alongwith a copy of certificate of incorporation of the company and details of the promoters and their holding in the company
- Land utilisation plan to justify the requirement of land.
- Photograph of the applicant, managing partner in case of a partnership firm and authorized director in case of a company.
- Any other information to be specified by the developing agency.

LETTER OF ALLOTMENT

The applicants recommended by the Allotment Committee will be issued Regular Letter of Allotment (RLA) indicating the plot number, size, dimensions and rate of allotment along with the schedule and terms of payment.

PERIOD ALLOWED FOR GOING INTO PRODUCTION

The allottee shall be required to implement the project on the industrial plot within a period of 3 years from the date of offer of possession. Implementation of the project would mean commencement of commercial production. However, the allottee should, as far as possible, take following steps within a period of two years:-

1. Taking over possession of the plot.
2. Submission of building plans.
3. Placement of orders of machinery and other capital goods.
4. Financial tie-ups.
5. Technical and marketing tie-up.

The period for implementation of the project can be extended by HSIIDC for a period of one year subject to the allottee having completed construction equivalent to 20% of Permissible Covered Area (PCA) in case of plot size is upto one acre and 10% of PCA in case plot size is more than one acre. Further, the allottee will satisfy the Corporation that he could not go into production within three years from the date of offer of possession for reasons beyond his control and he took effective steps for implementation of the project.

Second extension of one year for completion of project i.e. after four years from the offer of possession will be granted only in exceptional circumstances.

In case of sheds, the allottee shall be required to implement the project within two years from the date of offer of possession. The period for starting production shall be extended by one year in those cases where the allottee has installed / placed orders for substantial part of plant and machinery and depending on merit of each case.

The allottee shall be required to pay extension fee prescribed for that area and the payment shall be made w.e.f. the date the extension is applicable and for any delayed payment, interest @ 11% shall be charged.

Extension fee at following rates shall be charged:-

Sr.No.	Category	Plots (Rs. per sq. mtr.)		Sheds (Rs. Per sq. ft. Covered area)
		I st year	2 nd year	
		1	Category 'A'	
2	Category 'B'	40	80	15
3	Category 'C'	15	30	6

The procedure to grant extension in implementation of projects for industrial plots allotted under the previous policies shall be governed as per their respective agreements / RLAs subject to payment of extension fee as mentioned above in case there is no deviation. No extension fee shall be charged upto three years from the date of offer of possession.

In case of any deviations from the laid down guidelines / norms with respect to delay in start of construction / implementation of the project / start of production upto six months, level of construction, quantum of plant & machinery ordered, the Managing Director shall be competent to take a decision in such cases on merits by charging appropriate fee on case to case basis. Such allottee shall be governed by EMP - 2005 for any further extension in future and he shall give an undertaking to this effect.

GUIDELINES REGARDING PRESTIGIOUS PROJECTS INVOLVING INVESTMENT OF MORE THAN RS. 30 CRORE ALLOTTED UNDER ONGOING SCHEME

1. The allottee shall be required to take possession of plot, submit building plans and start construction at site within six months of allotment.
2. The allottee shall raise construction atleast to the extent of plinth level within one year of allotment.
3. The allottee shall complete the minimum required construction for completion of project and finalize tie-up for procurement of plant and machinery within two years.
4. The allottee shall implement the project after constructing atleast 25% of the permissible covered area and investing minimum Rs.30 crore in fixed capital assets in the project within three years of allotment and submit documents in this regard to the Corporation.
5. No further extension beyond the stipulated period of three years for implementation of project/investing minimum Rs. 30 crore in fixed capital assets shall be allowed. However, extension can be considered under exceptional circumstances, subject to payment of extension fee at double the rates as stipulated in the EMP-2005.

6. COMPLETION OF PROJECTS

The allottee will be deemed to have completed the project if he constructs the building as per the norms fixed below permissible covered area and starts commercial production within specified period as mentioned above, after installation of the plant and machinery.

The construction coverage norms applicable for the allotment/RLA issued by the Corporation w.e.f. 7.01.2008 are as under:-

1	Upto 1 acre	40% of PCA
2	Above 1 acre	25% of PCA

For other allottees, the construction coverage norms are as under:-

1	Upto 1 acre	25% of PCA
2	Above 1 acre upto 5 acres	20% of PCA
3	Above 5 acres & upto 10 acres	15% of PCA
4	Above 10 acres	10% of PCA

TRANSFER OF PLOTS/SHEDS

Transfer of plots/sheds shall be allowed only if the project has been completed and construction of building is as per the laid down norms. In case after implementation of project, the allottee is not able to continue to run the project for any reason whatsoever, he will be eligible to transfer the plot in favour of 3rd party with prior written permission of the Corporation. In such cases, the following fee structure shall be applicable :

- a. In case the transfer is made within one year of implementation of project, the fee charged will be 25% of the difference of the current allotment price and original allotment price of the plot/shed or the transfer fee, whichever is higher
- b. In case transfer is made after one year from the date of implementation of the unit, normal transfer fee, as mentioned hereunder, shall be charged.

The transferee shall not be allowed to further transfer the plot for at least one year from the date of transfer of the plot in his name.

In cases, where the Corporation has already allowed leasing permission to the allottee even without implementation of the project under the provisions of the policy in force from time to time and the lessee having already implemented the project on the premises and the allottee is not in a position to implement its own project, transfer of the industrial plots/sheds will be permissible by charging applicable transfer fee, subject to the condition that the allottee has achieved building construction coverage norms as per EMP-2005 and there are no zoning violations. However in such cases, the transferee will be required to implement its own project before further transfer of the industrial plots/sheds is effected in favour of another person by him.

However, the transfer of plot/shed will be allowed without the above conditions in case of inheritance, succession due to the death of the owner/majority shareholders or take over by public financial institutions. The change of management by transfer of majority shareholding shall also be treated as transfer under the policy.

The transfer fee structure shall be as under:

Sr. No	Category	Plots (Rs. per sq. mtr.)	Sheds (Rs. per sq. ft. of covered area)
1	Category 'A'	300	60
2	Category 'B'	150	40
3	Category 'C'	30	15

No transfer fee will be levied in cases of industrial units, which have been in commercial production for more than five years. Similarly, no transfer fee will be leviable in cases of transfers necessitated on account of inheritance, family transfer or take over by a financial institution. Only a processing fee of Rs. 5000/- will be charged in all such cases. However, prior permission is mandatory.

For transfer of plots/sheds, the transferor will apply to HSIIDC concerned with the following documents:

- a. Original letter of allotment
- b. Agreement to sell
- c. Project report of the transferee, in case of any change of project.
- d. Statement of means of financing of the transferee.

The allottee is required to submit his request for transfer within a period of 30 days from the date of agreement to sell, failing which penalty equivalent to the transfer fee will be imposed by the corporation.

HSIIDC will also not insist on submission of occupation certificate in cases of transfer and submission of a certificate for non-violation by the allottee shall suffice in terms of the provisions in the Industrial Policy-2005 announced by the State Government recently. In case violations are noticed later on, the transferee shall be responsible for rectifications.

In the event of non-implementation of project, on plot / shed on account of force majeure/exceptional circumstances, the request for transfer of plot / shed not falling under the provisions of the EMP shall be placed before the BoD for a decision.

All transfer requests received by the corporation after coming into force EMP-2005, shall be considered under the new guidelines. However, the requests for transfer of plots/ sheds received before implementation of EMP-2005 shall be dealt with in the following manner:-

- a. in case the request has already been considered by the corporation and provisional transfer letter (PTL) has been issued to the party, the terms of transfer, as mentioned in the PTL shall be applicable;
- b. all other requests received by the corporation before implementation of EMP-2005, shall be considered by the corporation as per previous Estate Management Procedures/ policy, however, revised fee as mentioned in the EMP- 2005 shall be applicable.

CHANGE IN CONSTITUTION/SHAREHOLDING

Change in share holding will be allowed only if the original allottee or his family members (spouse, son, daughter, wife, parents, brothers, sisters, grand son, grand daughter) retain a minimum of 51% share in the project/company/firm. In case the original allottee and his family fail to retain the prescribed share holding of 51%, it would amount to transfer and dealt with under the relevant provisions. In case where a private limited company becomes a public limited company listed with recognized stock exchange, the change in constitution may be allowed subject to the condition that the allottee or his associates (family members), retain the largest share holding and having management control, otherwise it will be treated as a case of transfer. Processing fee of Rs.5000/- shall be charged in all such cases.

CHANGE OF PROJECT

The allottee may be allowed change of project, other things being equal, by HSIIDC without prejudice to the size of the plot and the prescribed schedule of implementation of the project. However, while permitting change of project factors such as pollution, high water consumption/effluent shall be considered. Processing fee of Rs.5000/- shall be charged.

LEASING/RENTING OF INDUSTRIAL PLOTS

In order to ensure optimum utilisation of the industrial areas/industrial estates, leasing/renting of premises of the building for permissible industrial activities will be allowed if the allottee has made construction as per the standard norms, achieved building construction coverage norms as per EMP-2005, there is no zoning violation and has implemented its own approved unit on the plot. In cases where the allottee has earlier leased out the plot/shed by taking permission from the Corporation under previous policy and lessee has implemented the project, the allottee shall be eligible to further lease out the plot. In case of transfer of industrial plot/shed, the transferee shall be eligible to further lease out the premises provided the unit on the aforesaid plot had been implemented by the allottee/transferee/lessee and one year has elapsed after implementation of the project.

Such permission will be granted on payment of processing fee as prescribed hereunder:

1. In case the allottee/reallottee retains 25% of the premises for his own manufacturing activities and leases/rents out the balance 75% of premises:

Leasing period upto 5 years	10% of the transfer fee
Leasing period more than 5 years	25% transfer fee

2. In other cases:

Leasing period upto 5 years	50% of the transfer fee
Leasing period more than 5 years	100% transfer fee

In case, the allottee has implemented his/her project and remained in production for a period of five years or more and thereafter approaches the Corporation for leasing permission, no fee shall be charged by the Corporation, except processing fee equivalent to Rs. 10,000/-

The fee shall be calculated on the basis of the built up area / plot area, whichever is higher and shall be payable from the date of lease @ prescribed at that time with interest, if applicable. The allottee is required to obtain prior approval of the corporation. In case of unauthorized leasing a penalty equal to the prescribed leasing fee shall be imposed. Interest on the amount of leasing fee shall be charged from the date of lease and on the penalty amount, it shall be payable after expiry of 30 days from the date of demand by the Corporation.

Multiple leasing shall be permitted as under: -

Plot Size (Square Meters)	Maximum No. of Leases
Upto 500	1
More than 500 and upto 1500	2
More than 1500	3

The permission for leasing once granted shall be valid for the period specified in the permission letter. The allottee shall be at liberty to change in tenants within the period specified in the permission letter subject to the allottee keeping HSIIDC informed about any change made in the tenants and getting the project of the lessee / tenant approved. In case of change of lease within the prescribed period, processing fee of Rs. 5000/- will be charged.

All requests received by the corporation after coming into force of EMP-2005, shall be considered under the new guidelines.

In case the premises is leased out to a concern/firm (owned by the original allottee/his family members with minimum 51% shares), subsidiary company or holding company of the allottee company/firm owned by original promoters of the allottee company and no lease rental is being charged by the allottee, in that case, Managing Director is authorized to waive of the leasing fee considering merits of each case.

BIFURCATION / FRAGMENTATION OF PLOT

Bifurcation of industrial plots of only five acres size and above will be permitted. Such plots can be bifurcated in not more than two plots subject to the condition that the sub-divided plots shall not be less than one acre, keeping in view the zoning regulations & fire safety. The bifurcation will be permitted only for industrial purpose and there will not be more than two tenants on the original plot, meaning thereby that only one tenancy each will be permissible on the sub divided plots. The said bifurcation will be subject to payment of bifurcation fee equivalent to transfer fee applicable in the concerned area, and the same will be chargeable on the bifurcated portion of the plot. Further, in case the allottee transfers the bifurcated plot to some other person, then separate transfer fee will also be leviable on the same.

GENERAL EXTENSION TO I.T. CASES

In terms of the provision in the amendment of IIDP in October 2003, general extension for two years was allowed to the I.T. Units which could not be implemented by 25.9.2003. All such I.T. units are being allowed time upto 31.12.2005 as general extension without any construction norms without payment of any fee. Further extension beyond three years shall be considered on the basis of the guidelines given above.

OCCUPATION CERTIFICATE

Building can be occupied on self-certification that the building is constructed as per approved building plan. The self-certification on occupation must be submitted not less than 15 days before the expiration of validity of sanctioned plan. In case self-certification is found contrary to the ground reality, double the compounding rates will be charged and a complaint against the Architect shall be sent to the Council of Architects and the Architect will be barred for future from practice in any of Estates developed by HSIIDC.

RESUMPTION / SURRENDER OF PLOTS

HSIIDC will be competent to resume plots in case an allottee defaults in complying with the terms & conditions of allotment/transfer/leasing etc. The resumption of plot would be approved by the competent authority of the allotting agency after giving proper show cause notice.

Upon resumption/surrender, the amount deposited by the allottee will be refunded after deducting 10% of the price of plot without any interest. The interest paid by the allottee shall also be forfeited.

The allottee will be free to remove the structure/debris, if any, within a period of two months of resumption order at his own cost, failing which it shall be removed at the allottee's cost. It may be clarified that the allottee shall not be entitled to any payment/compensation for building constructed by him on the resumed plot.

RESTORATION OF RESUMED PLOTS

No restoration of resumed plots shall be allowed, however, appeal shall lie to a committee of Directors of HSIIDC headed by Principal Secretary Industries, MD/HFC and Director of Industries, Haryana as the other members against the order of competent authority ordering resumption.

FIXATION AND REVISION OF RATES OF PLOTS

The rates of plots and revision thereof will be finalized by a committee headed by Principal Secretary Industries and consisting of Director Industry, MD/HSIIDC and MD/HFC and approved by the State Government. The rates of the plots will be revised w.e.f. 1st April of the year and shall be valid for one year.

APPEAL

An appeal against the orders of the competent authority for resumption of industrial plots/sheds shall lie to a committee of Directors of HSIIDC headed by Principal Secretary Industries, MD/HFC and Director of Industries, Haryana as the other members against the order of competent authority ordering resumption. Atleast one member besides Principal Secretary Industries shall be present to complete the quorum. The appeal shall be filed in the office of Principal Secretary Industries, Haryana within 90 days of the resumption order.

All pending appeal cases presently lying before Principal Secretary Industries, shall also be heard by the aforesaid committee of Directors.

ANOMALIES

All anomalies arising out of the implementation of the above procedure shall be considered by a committee headed by Principal Secretary Industries with Managing Director/HSIIDC and Director Industries as its members.

- The provisions of this Estate Management Procedure-2005 relating to transfer, leasing etc. shall also be applicable for industrial plots/sheds already allotted under the previous policies / procedures.
 - These guidelines shall be effective w.e.f. 11.07.2005.
-

Annexure - I

NOTIFICATION

Dated : 24th May 2007

DGM, CE
Co. Secy.

21/5

21/5

MSDST

21/5
Smt. J. G. /
21/5

No 2/1/22-1-IBII-05 In order to facilitate the allotment of plots to large number of applicants in the different Industrial Estates of Haryana State Industrial Infrastructure Development Corporation and Haryana Urban Development Authority, the Governor of Haryana hereby notifies that in the Haryana Industrial Policy 2005, in Chapter-XII, for clause (iii), the following clause shall be substituted, namely:-

“(iii) The applications in respect of all these categories shall be made to and processed by Haryana State Industrial Infrastructure Development Corporation or Haryana Urban Development Authority, as the case may be”.

This amendment shall come into force with effect from the date of issue of this notification.

HSIIDC
Diary No. 1210
Dated 24-5-07

P.K. Chaudhery
Financial Commissioner and Principal Secretary to
Government, Haryana, Industries Department

Endst. No. 2/1/22-1 IBII -2005

Dated: 24.05.2007

A copy is forwarded to the following for information and necessary action:-

1. Director of Industries, Haryana, Chandigarh.
2. Managing Director, Haryana State Industrial Infrastructure Development Corporation, Plot No. C 13-14, Sector - 6, Panchkula.
3. Chief Administrator, Haryana Urban Development Authority, Sector - 6, Panchkula.

Ravinder Singh
Superintendent Industries-II
for Financial Commissioner & Principal Secretary
to Govt. Haryana, Industries & Commerce Deptt.

Endst. No. 2/1/22-1 IBII -2005

Dated: 24.05.2007

A copy is forwarded to the Controller, Printing and Stationery Department, Haryana, Sector 18, Chandigarh with the request that above notification may be published in the Haryana Government extra-ordinary gazette immediately and twenty printed copies may please be supplied to this department for record.

Sd/-
Superintendent Industries-II
for Financial Commissioner & Principal Secretary
to Govt. Haryana, Industries & Commerce Deptt.

Haryana Government
INDUSTRY DEPARTMENT
NOTIFICATION

Dated 13th March, 2007

No.49/40/07-4IBI : In partial modification of the notification issued by Govt. vide no. dated 6.6.2005, the Governor of Haryana is pleased to order that entrepreneurs with disabilities as defined in the Persons with Disabilities (Equal Opportunities, Protection of Right and Full Participation) Act,1995 shall be allotted industrial plot on preferential basis upto 2% of the total number of industrial plots available for allotment for the establishment of industrial unit. However, same price of plot would be charged as applicable to general category. The interest on instalment to be paid shall be 7% and the penal interest, if any, shall be @11%. A person with disabilities shall be eligible for allotment of industrial land :

- i. if he is a bonafied resident of Haryana for the last three years preceding the date of application. For this, the applicant shall have to give sufficient proof viz name in the voter's identity card, ration card, electricity connection, water connection etc.
- ii. he has attained the age of 18 years on the date of application.
- iii. he has not been allotted any industrial plot earlier in his/her name or in the name of his/her spouse.
- iv. he is a person with disability as defined in the Persons with Disabilities (Equal Opportunities, Protection of Right and Full Participation) Act,1995 and a certificate to this extent is issued by the Disability Board Constituted for the said purpose by the State Govt. of Haryana.

The difference in amount due to less rate of interest on installements shall be paid by the Department of the developing agency.

The policy shall come into force with immediate effect.

P.K. Chaudhery
Financial Commissioner & Principal Secretary
to Govt. Haryana, Industries Department
Chandigarh