

## Chapter 3 Allotment of Industrial Plots

3.1 The allotment of industrial plots/sheds shall be governed by the provisions contained under this chapter as amended from time to time to ensure quick disposal of unsold inventory.

### 3.2 Reservation of industrial plots:

- i. The reservation of industrial plots shall be available as under:
  - a) Preferential allotment up to 2% of the plots/sheds in each Estate has been prescribed by the Government for allotment to persons with disabilities as defined in the Persons with Disabilities (Equal Opportunities, Protection of Right and Full Participation) Act, 1995. The Government has also prescribed a differential rate of interest on instalments for this category (*For complete details in this regard, Haryana Government Notification No. 49/40/07/4IBI dated 13.03.2007 may be referred*). However, in case no applications are available from the eligible category, the unallotted plots may be utilised under the general category.
  - b) Any other reservation of industrial plots/sheds as may be decided by the State Government/HSIIDC from time to time.
- ii. Irrespective of number of industrial plots allotted under the above categories in the past, the number of plots reserved for future allotment shall be worked out on the basis of total number of plots available for allotment as on 30.09.2015.

3.3 Subject to the above, the allotment of Industrial plots shall be governed as under:

#### **Categories of Allotment:**

- a) Mega Projects having minimum Fixed Capital Investment (FCI i.e. land, building, machinery & misc. fixed assets) of INR 200 crore in B-Blocks, FCI of over INR 100 crore in C-Blocks and FCI of over INR 75 crore in D-Blocks. The project undertaking expansion/diversification and identified service enterprises with same criteria of investment shall also be treated as Mega Project.
- b) Allotment under fast track scheme to Central/State Government PSUs;
- c) General and persons with disability category
- d) Any proposal for allotment of land to set up a project by any reputed foreign investor through 100% FDI route anywhere in the State, not falling under any other provision of EMP
- e) Allotment of industrial plots on lease hold basis in Industrial Estate of HSIIDC

### 3.4 Process of Allotment:

- i. **Mega/100% FDI projects by reputed foreign investors category:**
  - a) For Mega /100% FDI projects by reputed foreign investors, the identified land/plots measuring one acre and above size as per already approved layout plans will be offered for allotment through advertisement. 100% of the available plots of each sector / phase shall be offered for allotment in one go.
  - b) Where any entrepreneur approaches the HSIIDC with requirement of a chunk of land (which can either be the specific/identified site/plot(s) or just indicating the size of the land required), larger than the available size as per approved layout plan, in such cases, upon receipt of such project proposals from the applicant/investor, after initial scrutiny, the HSIIDC shall invite applications for allotment of such chunk of land through advertisement.
  - c) Under both the above scenarios, a suitable time shall be given in the advertisement for submitting formal application as per procedure. In case, number of applications received are more than the number of offered plots in any plot size category or more than one application is received for a particular plot, allotment shall be made through e-auction or manual auction/open auction in favour of the highest bidder; otherwise, the identified land/plot would be allotted to the applicant/investor through Higher Level Plot Allotment Committee/EEC at the price/rate applicable at the time of issuance of RLA.
  - d) The allotment of industrial plots under Mega projects category involving concessional rates with other incentives (a customized package) shall be made by Haryana Enterprise Promotion Board under the Chairmanship of Hon'ble Chief Minister/Haryana.
- ii. **General / Persons with Disability Category Allotment:**
  - a) Under these categories, the allotment shall be made only through e-auction. The Corporation would invite offers for allotment through advertisement, indicating the plot sizes available for allotment in various Estates (including Estates under development), but without disclosing the number of plots available & plot numbers.
  - b) The interested parties would register themselves for allotment of plots on e-auction portal of the Corporation indicating the Estate & plot size required, along with a token money equivalent to 5% of the plot cost at reserve price, for which a period of 15 days shall be given.
  - c) Depending on the number of registrations received for each plot size category in an Estate, the Corporation would decide the number of plots to be offered there

against in each Estate & Plot size category and the same shall be made public atleast 48 hours prior to the auction date.

- d. On the day of auction, the registered applicants would participate in the auction for which they got themselves registered and place their bids with bid increments as may be decided for each auction, for that plot size category, not a particular plot in that category.
  - i. The standard e-auction time will be from 7.00 AM to 9.00 PM. In case the auction is not concluded till 9.00 PM, the auction will pause at 9.00 PM and re-start at 7.00 AM, the next day.
  - ii. The standard e-auction time for Round-1 will be from 7.00 AM to 11.00 AM. All subsequent rounds shall be of ten minutes' duration, unless extended as provided hereunder.
  - iii. In case in any round any bid is received in the last five minutes of closing time of that round, the e-auction time of that round will get extended by ten minutes and there will be unlimited such extensions;
  - iv. On close of the Round-1, H-1 bidder will be given 10 minutes to book the plot. If the H-1 bidder does not book the plot in the given time, the system will randomly allocate a plot to such bidder;
  - v. Round-2 shall start from highest bid of H-2 bidder in Round-1 and auction would proceed as under:
    - a. In case no bid is received in Round-2, H-2 bidder of Round-1 will have the option to choose a plot of his/her/its choice, for which he/she/it will be given 10 minutes to book the plot. If he/she/it does not book the plot in given time, he will have the liberty to participate in subsequent rounds; Thereafter, Round-3 will start from the original reserve price;
    - b. In case any bid(s) is received in Round-2, on close of the round, H-1 bidder will be given 10 minutes to book the plot. If the bidder does not book the plot in the given time, the system will randomly allocate a plot to such bidder. Thereafter, the next Round will start from H2 bidder of previous round, if available, otherwise it will start from the original reserve price;
    - c. All subsequent rounds will take place as per the aforesaid procedure;
  - vi. Successful bidders will have to complete 10% payment at H-1 bid price within 72 hours of intimation by the HSIIDC after getting approval of the Managing Director for acceptance of H-1 bids, failing which 5% EMD deposited at the time of registration shall be forfeited;

- e) In case the highest bidder fails to make payment of balance 10% cost of the plot within 72 hours, the 5% token money remitted at the time of registration would be forfeited.
- f) 5% token money of the unsuccessful applicants would be refunded directly from the e-auction portal itself.
- g) After successful completion of the auction, the Managing Director may accept or reject any bid, even the highest bid, without assigning any reason and finalize the allotment.
- h) After issuance of RLA, if the allottee does not accept the allotment, the amount deposited towards 10% cost of the plot would be forfeited.
- i) The applications for allotment of adjacent carved out plots to the existing running units shall be invited by the Corporation through advertisement. The plots under this policy shall be offered subject to the condition that the applicant must be an existing allottee of the Corporation, having implemented the project on the existing plot and must not be a defaulter of any dues of the Corporation. Further, only such plots in this category, shall be offered for which there would be more than one eligible applicants. In case, the number of applications received for any plot size category of adjoining plots are less than or equal to the number of plots offered for allotment, the allotment of adjacent plots in such cases, to the existing allottees/plot holders shall be made through draw of lots on the weighted average price of the last auction of the concerned estate. In case more than one adjacent existing allottees are interested in the same plot, the allotment shall be decided through auction amongst such applicants by taking weighted average price of the last auction as reserve price.
- j) The allotment of unplanned pockets/strips of land, adjoining allotted plots shall be governed as under:
  - a. The applications for such land pockets shall be accepted from the adjoining plot holders through on-line mode against advertisement only;
  - b. Before including the unplanned pockets/strips of land in the advertisement, the Planning Division of the Corporation shall certify that such pocket cannot be put to some other effective use by the Corporation or separate plot(s) could not be carved out of such unplanned pocket and allocate a distinct number to identify its location.
  - c. Other process of allotment prescribed under EMP shall be followed in such

cases also. In case, only one adjacent allottee applies against a particular plot/site, the allotment shall be made to such applicant on the prevailing allotment rate. In case, more than one adjacent unit/plot holders have applied for the same plot/site, the allotment shall be made through limited e-auction or manual auction/open auction amongst such adjacent units/plot holders.

**iii. Central/State Government PSUs Category:**

- a) The allotment of industrial plots to set up permissible projects by well-known Central / State Govt. Public Sector Undertakings, shall be made on fast track basis. The applications for allotment of plots under this category shall be received by the HSIIDC on on-going basis.
- b) The allotment under this category shall be made by MD/HSIIDC at allotment rate fixed/revised from time to time.

**iv. Specific Industry Clusters Category:**

In case the HSIIDC receives proposal from any cluster/group of industrial units falling under a particular industry category seeking allotment of land for setting up/re-location of their units engaged in a specific trade, in HSIIDC Industrial estates as a cluster, involving aggregate investment of at least Rs.100 crore, the HSIIDC may carve out a special cluster for such industrial units. The procedure for allotment of industrial plots in such cluster shall be the same as for general category allotment.

- vi. For allotment of industrial plots under all the above categories, the land requirement shall be justified and the value of land shall preferably not exceed 60% of the total fixed capital investment (Land, Building, Plant & Machinery and Misc. Fixed Assets). Further, the investment in plant & machinery shall not be less than 20% of the total fixed capital investment and the project proposed to be setup shall be falling under the permissible activities.
- vii. In case the applicant who gives the highest bid under e-auction or manual auction/open auction allotment scheme of the Corporation, but does not accept the allotment, the entire amount deposited by him towards the application money along with the application i.e. 10% of price of the plot at the reserve price shall be forfeited. Further, where the number of applications received are less than or equal to the number of offered plots and the allotment is made at the reserve price, in those cases also, if the applicant does not accept the allotment after issuance of RLA, the entire amount deposited by him towards the application money shall be forfeited. *(The amendments in this clause have been approved by the*

*Board in its 336<sup>th</sup> meeting held on 25.01.2017 and are applicable prospectively for applications to be invited in future)*

### 3.5 Committees appointed for the purpose:

- i) For Mega projects having fixed capital investment (land, building, machinery and misc. fixed assets) of Rs.100 crore & above or projects involving employment generation of more than 500 persons and serving as anchor units for proliferation of ancillaries, seeking allotment of plots at concessional rates with other incentives (a customised package), allotment of industrial land/ plot shall be made by the Haryana Enterprise Promotion Board (HEPB) under the Chairmanship of Chief Minister, Haryana.
- ii) Allotment of Plots to (i) mega projects, without any concession and (ii) 100% FDI projects by reputed foreign investors as mentioned at 3.3(d) above shall be made by the Executive Empowered Committee under the Chairmanship of Principal Secretary to Chief Minister, Haryana or the Higher Level Plot Allotment Committee comprising of the following members:

1	Administrative Secretary of the Industries Department	Chairman
2	MD/ HSIIDC	Member- convenor
3	MD/HFC	Member
4	Director, Industries	Member

- iii) For categories of applications received under para 3.3.c above, the allotment will be done at the level of Managing Director, HSIIDC.

### 3.6 Payment Terms

- i) 5% of the tentative price of the plot at reserve price at the time of registration for participation in e-auction;
- ii) Successful bidders to complete 10% payment at H-1 bid price within 72 hours of acceptance of H1 bids by the competent authority, failing which 5% EMD deposited at the time of registration shall be forfeited;
- iii) 15% price of plot within a period of 30 days of issue of RLA (date of issuance of RLA to be excluded), further extendable for 30 days with interest @ 15% p.a. for the extended period;
- iv) In the event an allottee fails to make payment mentioned at iii) above, within 60 days period (date of issuance of RLA to be excluded), the RLA shall automatically lapse and the amount deposited by the allottee towards application money shall be

forfeited. *(The amendments in this clause have been approved by the Board in its 336<sup>th</sup> meeting held on 25.01.2017 and are applicable prospectively for applications to be invited in future);*

- v) Additional 25% of the price of the plot/shed within sixty days from the date of issuance of RLA (date of issuance of RLA to be excluded); in case of delay in remittance of payment, delayed interest @15% p.a. shall be payable which shall be compounded on the instalment dates towards balance 50% price of the plot;
- vi) Balance 50%, either in lumpsum, without interest, within ninety days from the date of issuance of RLA (date of issuance of RLA to be excluded) or in four equal half yearly instalments within two years from the date of issuance of RLA due on 30<sup>th</sup> June and 31<sup>st</sup> December each year. Interest @12% p.a. (or as amended from time to time) on the balance amount shall be payable along with the instalment, from the date of offer of possession. In case of lumpsum payment of 50% price of plot/shed within 90 days of issuance of RLA, rebate of 10% on such lumpsum payment of 50% price of the plot/shed shall be admissible; **OR**

The allottee shall have the option to remit balance 75% price of the tentative price of the plot within a period of 45 days of date of issuance of RLA (date of issuance of RLA to be excluded), without any interest, so as to make it 100% of the tentative price of the plot, including delayed interest, if any, payable on 15% price of the plot. In the event of full payment of plot cost within 45 days of issuance of RLA (date of issuance of RLA to be excluded), the allottee shall be entitled for 10% rebate on plot cost.

- vii) In case, at any stage, the allottee clear the outstanding plot cost dues in lump sum, a rebate of 3% on such outstanding (principal portion) cost of the plot, shall be admissible;
- viii) Interest @ 12% p.a. shall be charged on the balance outstanding after 'offer of possession' of the plot/shed. Default in payment of instalments shall entail payment of delayed interest @ 15% p.a. for the defaulted period on the amount in default, compounded half yearly;
- xi) In a case where the allottee approaches HSIIDC for taking over physical possession of the plot in an area of which possession has not been formally offered on account of non-completion of basic infrastructure development works, the same may be allowed subject to the allottee furnishing an undertaking in the prescribed format that he would not raise any claims against HSIIDC on this account. As an incentive to such an allottee, he will not be charged any interest on his balance instalments till the possession is formally offered by the HSIIDC on completion of minimum basic amenities. However, in case of any default in payment of instalments on due dates,

delayed interest @ 15% p.a. will be charged on the amount of default for the period of default, compounded half yearly;

x) As regards existing allottees who have been allotted industrial plots/sheds before coming into force of EMP-2015, any additional price of the plot/shed, as a consequence of enhancement in compensation that has been/may be awarded by the Court(s) in any matters/cases arising out of the acquisition proceedings or any incidental or matters connected thereto, shall be payable by the allottee in lump-sum within 60 days from the date of issue of demand notice without any interest. In the alternative, the allottee shall have the option to make the payment on account of enhanced cost in ten half-yearly equal instalments due on 30<sup>th</sup> June & 31<sup>st</sup> December, with interest @ 12% p.a. on the balance amount outstanding. Default in payment of instalments shall entail delayed interest @ 15% p.a. for the defaulted period on the defaulted amount, compounded half yearly (The amendments in this clause are applicable w.e.f. 16.06.2016);

xi) In the Enterprises Promotion Policy 2015, announced by the State Government, a decision has been taken that no enhancement will be charged in respect of industrial plots/sheds to be allotted by HSIIDC in future. HSIIDC was mandated to formulate a suitable scheme in this regard;

Accordingly, the allottees who are allotted plots after coming into force of EMP- 2015 shall not be imposed proportionate enhancement in respect of the enhancement orders passed by the courts after the date of issuance of RLA in their favour. However, the existing allottees who have been allotted plots before coming into force of EMP-2015 shall be required to pay enhanced cost on proportionate basis as per the terms and conditions of their allotment against enhancement in land compensation awarded/to be awarded by the competent courts;

xii) The allottee shall get the conveyance deed executed in his/her/its favour after making the payment of full price of the plot/shed, including enhanced cost, and clearance of all types of dues of the Corporation at the allotment rate. It is clarified that conveyance deed in favour of the allottee can be got executed through registered GPA of the allottee.

**Note:** *In case the plot is allotted under the NRI/PIO categories, funds towards the price of the plot should come from his/ her NRE account/ remittances from abroad/ foreign exchange.*

*(The amendments in clause 3.6, unless specified otherwise are applicable from the date of its approval by the Board in its 341<sup>st</sup> meeting held on 18.08.2017, for allotments to be made against future advertisements. The revised rates of interest/delayed interest shall be applicable for all existing and future allottees w.e.f. 01.09.2017.*



xiii) Provision for 10% rebate on plot cost (Industrial) to SC Category allottees:

The Board/HSIIDC in its meeting held on 22.12.2020 has resolved to approve implementation of 10% concession in plot cost to SC Category allottees in the following manner:

- a. The scheme shall be applicable prospectively for the allotments to be made in future against advertisements and e-auctions to be issued/conducted on or after 22.12.2020;
- b. The applicant shall be required to submit a certificate issued by the Competent Authority of the Haryana Government, certifying that the applicant belongs to the SC Category;
- c. The applicant would have to submit the certificate at the time of registration and prior to the e-auction;
- d. The applicant shall be required to submit proofs in support of being resident of Haryana for atleast five years as on the date of applying for allotment of industrial plot;
- e. The allottees of industrial plots from SC category, shall be entitled to a rebate equivalent to 10% of the principal price of the plot, as mentioned in the Regular Letter of Allotment. This rebate shall be adjusted against last instalment of plot cost payable by the allottee, subject to the condition that the allottee will have to complete the project as per provisions of EMP-2015, as amended from time to time, within a period of three years from the date of allotment or offer of physical possession of the plot, whichever is later. In case the allottee fails to complete the project as above, he/she will be required to pay balance 10% price of the plot along with applicable interest/delayed interest;
- f. In these cases, the change in constitution involving induction of third party(s) shall be permissible only to the extent of 25% dilution of stake and investment in the project shall be in the ratio of 75:25 i.e. 75% by the original allottee and 25% by the incoming partner, to be entitled for 10% rebate as above;
- g. Transfer of vacant plot in these cases shall be permissible as per provisions of EMP-2015, but the transferee allottee shall not be entitled to 10% rebate as above;
- h. The allottee must not be in default of any dues of the Corporation as on the

date of claiming project completion, within three years from the date of allotment or offer of physical possession of the plot, whichever is later, to be eligible for 10% rebate as above;

- i. The allottee must not have violated any terms & conditions of allotment including provisions of the Haryana Building Code, as amended from time to time;

### 3.7 Processing Fee

a) For allotment of plot

The applicant shall be required to deposit application on-line along with the non-refundable processing fee as hereunder:

Size of Plot (Sq. mtr.)	Category 'A' Estates	Category 'B' & 'C' Estates
Up to 500	Rs. 5,000/-	Rs. 3,000/-
501-1050	Rs. 7,500/-	Rs. 5,000/-
1051-4050	Rs. 10,000/-	Rs. 7,500/-
4051-8100	Rs. 15,000/-	Rs. 10,000/-
8101 and above	Rs. 25,000/-	Rs. 15,000/-

b) For all other services

Processing fee for other services, where ever payable as per EMP-2015, shall be charged at following rates:

Category of Estate	Processing fee
A	Rs. 10,000
B & C	Rs. 5,000

Note: The processing fee will be inclusive of GST, if applicable

### 3.8 Service Sector Enterprises

Considering the importance of service sector enterprises, it has been decided to allow activities of service sector enterprises directly providing services to the manufacturing enterprises. The following services which support the manufacturing activities in industrial estate/IMTs shall be eligible for allotment of industrial plots:

1	Repair, Maintenance and parking of machineries/equipment used for industrial activities
2	Industrial/Technical Test lab
3	Industrial photography
4	Bulk courier services
5	Weigh bridge
6	Blue printing/drawing/computer designing facilities/drafting facility/CAD-CAM
7	Research & Development in any field
8	Tool room for facilitation of industry

9	Media houses, printing, publishing services
10	Industrial kitchens/catering services
11	Engineering & Design services
12	Repair & maintenance, servicing of vehicles without any provision of showroom/ display of new vehicles
13	Skill Development Centres

Up to 25% of the industrial plots may be earmarked by HSIIDC for service sector enterprises in its industrial estates, at its sole discretion.

### 3.9 Allotment of plots on leasehold basis in Mega Food Park, Phase-III, Barhi

The allotment of plots on leasehold basis in Mega Food Park, Phase-III, Barhi under the norms of Mega Food Park Scheme of Ministry of Food Processing Industries, Govt. of India shall be governed by the following terms and conditions:

- i) Allotment under lease hold basis shall be governed under the Mega Food Park Scheme along with the provisions of Estate Management Procedures (EMP-2015) of HSIIDC with regard to extension, timely implementation of the project, transfer etc. as applicable in case of regular allotment of plots/sheds, except for those norms for which specific clause/norms have been mentioned.
- ii) The land/shed shall be allotted on lease hold basis on payment of Land Premium equivalent to the tentative cost of the plot/shed i.e. prevailing allotment rate of HSIIDC for the said Phase/Estate. The initial lease period shall be thirty three years. The allottee will be eligible to get it converted to freehold after completion of lease period of ten years on payment of nominal charges, subject to the lessee having remitted entire outstanding dues and compliance of the terms of allotment of plot.
- iii) The Land Premium shall be payable as per the payment terms mentioned in clause 3.6
- iv) Yearly economic lease rentals @Rs. 2.50 per sq. mtr., per annum effective from the date of allotment on lease hold basis with an increase of Rs. 1/- per sq. mtr., on an annual basis shall be charged.
- v) The lease rentals shall be payable on annual basis; with first lease rental payable within 30 days of commencement/date of lease and payable on similar pattern for subsequent years; failing which delayed interest with half yearly compounding shall be applicable.
- vi) The industrial plot shall continue to be utilized for the approved project and shall be governed by any norms prescribed by the Ministry of Food Processing Industries (MOFPI), Govt. of India, under the Mega Food Park Scheme (MFPS). In case of discontinuance of the said project, the lease deed shall be terminated.
- vii) Maintenance charges shall be payable by the lessee on actual basis. The charges for electricity, water, sewer etc. shall borne by the lessee. GST etc. wherever applicable shall be payable by the lessee.
- viii) The lessee shall execute lease deed with the Corporation containing the terms and conditions mentioned as at the time of allotment under lease hold basis along with other conditions. The lease period shall commence from the date of conveying the allotment of industrial plot on lease hold basis and obligation and labilities under lease agreement shall be deemed to have commenced from that date.
- ix) The Corporation reserves the right to cancel the deed and terminate the allotment, disconnect the water supply and forfeit the amount of lease rentals remitted on account of

non-adherence of Estate Management Policy Guidelines of the Corporation.

- x) All the expenses towards the registration of lease shall be borne by the lessee.
- xi) The period for fulfilment of all obligations/conditions qua the implementation of the project etc. by the lessee shall be as per the terms applicable for the regular allottee under EMP-2015 guidelines.
- xii) The original lease deed where land Premium equivalent to the plot cost has been paid, may be allowed for mortgage.

### **3.10 Policy for Allotment of industrial plots on lease hold basis in Industrial Estate of HSIIDC:**

#### **1. Applicability:**

This Policy shall be applicable for allotment of industrial plots to the following:

- i. (a) Any Company, whether Indian or Foreign, which had or has a manufacturing unit outside India through its Parent/Holding/ Subsidiary Company(ies) and intends to shift the unit or proposes setting up of a manufacturing unit of the group in the State. Such unit should have been in operation/ commercial production for atleast one year as on 1.1.2020.

OR

- (b) A company Indian or foreign or a joint venture which has a project, in which 50% investment will come through the FDI route/norms. The company will have to submit the proof of FDI investment by way of a Foreign Investment Remittance Certificate (FIRC), within six months from the date of the lease agreement.

OR

- ii. (c) Any Indian Company which is proposing to manufacture an import substitution item in the thrust sectors as mentioned in EPP 2015

- a. Auto, Auto Components & Light Engineering.
- b. Agro-based, Food Processing & Allied Industry
- c. Textiles / Apparel / Knitting / Embroidery / Technical textiles.
- d. Footwear & accessories
- e. Electronics & IT/ITES
- f. Defence and Aerospace Manufacturing
- g. Renewable/ Solar energy equipment
- h. Pharmaceutical & Chemical Industry

- iii. The projects mentioned at i(a), i(b) & ii(c) above, should have minimum fixed capital investment (i.e. building, plant & machinery and miscellaneous fixed assets) as detailed below:

For Plot size 1800 sqm. & <1 acre	:	Rs.10.00
crore For Plot size 1 acre & above	:	Rs.25.00
crore		

**2. Allotment method:**

- i. The allotment would be through a competitive bidding process (through e-Auction Portal) as defined in the EMP 2015 as per clause 3.4(i)(b).
- ii. The lessee would be required to pay an Upfront Lease Premium and an Annual rental. The Upfront Lease Premium would be decided through an e-Auction while the Annual Lease Rental would be fixed.
- iii. The reserve upfront premium shall be 20% of the Allotment price of the plot. In case of more than one bidder, competitive bidding shall be undertaken through the e-Auction portal after scrutinizing the eligibility of competing bidders as defined in Para 4 above. If a single bid is received/remains after scrutiny, the allotment of land shall be made to the single bidder on the prevailing Reserve upfront premium.
- iv. The Lease Rentals, to be paid on yearly basis, would be calculated @ 6% of the allotment price of the plot. There will be no increase in lease rental during the first three years. From the fourth year onwards, the rental would be increased @ 12% after every three year period.

**3. Lease Period:**

- i. The initial period of lease shall be for 10 years, which can be extended subsequently for 10 years at the option of the Entrepreneurs/Lessee. The maximum lease period shall be 99 years in all cases.
- ii. At the beginning of every 10<sup>th</sup> year of the Lease Period, the Lessee shall be required to choose one of the following Options:
  - a. Continue with the lease for another 10 years;
  - b. Get the Leasehold ownership converted to Freehold.
  - c. Exit from the Lease, in which case the land and permanent fixtures would revert back to HSIIDC.
- iii. In the event of the Lessee opting for ii(a), the Lease Rentals would be revised @1.25 times the rentals as were payable during the 10<sup>th</sup> year. This formula would be applicable for every extension of the Lease. Other conditions of the Lease would remain unchanged.
- iv. In case the Lessee decides to get the ownership of the Plot converted, from leasehold to freehold basis, higher of the following would be adopted for the conversion:
  - a) Auction Price less the amount of Upfront lease Premium paid.

OR

- b) Prevalent Allotment Rate at the time of conversion minus upfront premium paid.
- v. In the event of lessee opting for ii(c) above, HSIIDC would be at liberty to initiate fresh bidding process for allotment of the said plot and 50% of the upfront premium shall be refunded to the lessee.
- vi. The Lessee would be free to get the plot converted from leasehold basis to freehold basis in which the formula mentioned at 3(iv) above at any time during the currency of the lease.

**4. Other Conditions:**

- i. Only plots of size ½ acre (1800 sqm) & above would be considered under this Scheme. Plots of the desired can be clubbed as per the requirement of the project.
- ii. The possession of the plot shall be given to the allottee after payment of the upfront premium amount in full, annual lease rentals of the first-year and execution of lease deed. The cost of registration of the lease deed would be borne by the Lessee.
- iii. The lessee shall be required to deposit the upfront premium and first year rent within 60 days of the issues of lease allotment letter of the plot. The lease shall be got executed within 30 days thereafter.
- iv. The lease period shall commence from the date of execution of the Lease deed. For every financial years, the lease rent shall become due on 1<sup>st</sup> April of the year and be paid by 30<sup>th</sup> April of every year. Delay in payment of Rent shall incur interest for the default period on outstanding rent @ 10% per annum and if the rent remaining unpaid for three (03) months beyond the payment date (i.e.30<sup>th</sup> April of the year), the Corporation would have the right to cancel the Lease Agreement and resume possession of the leased plot.
- v. The Lessee would be eligible for taking over physical possession of the plot on completion of the above formalities.
- vi. In the event of any shortfall in the total area at the time of physical possession of the plot, the excess Upfront Lease Premium and Annual Rental deposited by the Lessee shall be refunded/adjusted along with communication of fresh rental schedule, within a period of 30 days. Likewise, any increase in the area would require payments (equivalent

Upfront Lease Premium and Annual rental) by the Lessee within 30 days of possession. The Lessor/HSIIDC would issue a fresh rental schedule within 30 days.

- vii. In the event of any dispute arising between the Lessor and the Lessee, the same shall be mutually discussed and settled first. In case no resolution is arrived at after the mutual discussions, the either party may approach the Courts for redressal of the issue.
- viii. A period of two years would be allowed for implementation of the project.
- ix. In the event of failure to implement the project within this stipulated period, two extensions of one year or part thereof each would be allowed. During this extension period, the lease fee would be charged at double the rate of the applicable amount for extension year/period.
- x. No extension beyond the 4<sup>th</sup> year would be allowed in any case and the lease would be liable for cancellation in such eventuality.
- xi. The Lessee would be permitted to mortgage the Leasehold rights for the purpose of raising loan from the Banks/ Financial Institutions. In case of takeover of assets by bank, the bank will be liable to pay the current allotment price of the plot.
- xii. The Lessee shall not be allowed to transfer or sub-lease the plot to any third party.
- xiii. The number of plots to be allotted under this Policy shall be 20% of available plots in the developed Industrial Estates as on the date of issuance of this Policy.
- xiv. In the event of the non-compliance of terms & conditions, the plot is liable to be resumed and the possession thereof will be taken back by the Corporation.
- xv. This Policy shall initially remain applicable for a period of one year from the date of approval.

