

Estate Management Procedure, 2005

HARYANA

India

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Rule ESTATE-MANAGEMENT-PROCEDURE-2005 of 2005

- Published on 1 February 2006
- Commenced on 1 February 2006
- [This is the version of this document from 1 February 2006.]
- [Note: The original publication document is not available and this content could not be verified.]

Estate Management Procedure, 2005 Published vide Notification No. 2/1/22-1 IB-2-99, dated the 1st February, 2006 Allotment, Transfer, Leasing, Renting etc. of Plots and other Assets by the Department of Industries and Commerce. Haryana Government, Industries and Commerce Department, Notification, No. 2/1/22-1 IB-II-99. - In pursuance to the provisions of the Industrial Policy 2005 which came into force w.e.f. 6th June, 2005, the Governor of Haryana is pleased to order that the following Estate Management Procedure hereinafter referred as "EMP 2005" shall be applicable for allotment, transfer, leasing, renting etc. of plots and other assets and management of Industrial Estates developed by the Department of Industries and Commerce :- For the purpose of implementation of the EMP-2005, the various Industrial Estates developed by the department are categorized as under :- { | - | Category `A` Industrial Development Colony, Gurgaon. | - | Category `B` Industrial Estates of Bahadurgarh, Sonapat and Panipat. | - | Category `C` All other Estates other than those mentioned above. }

1. Allotments 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 and 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 for the categories 1 to 3 will be processed by the Investment Promotion Centre and for Category 4, the applications will be processed by Department of Industries and Commerce, Haryana. 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, HSIDC Member
- (c) MD, HFC Member
- (d) Director of Industries Member

2. For other projects including those under FDI, NRI, PIO's categories, IT Industry (Manufacturing and Software Development) and general category, allotments will be made by the following committee :-

- (a) Director of Industries Member
- (b) MD, HSIDC Member
- (c) MD, HFC Member

Senior-most member will act as Chairman of the Committee. At-least one member, besides Director of Industries, 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.

4. Preference will be given to the following categories of entrepreneurs :-

* 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 and conditions of EMP.

5. Banking and Insurance Facilities shall also be allowed in industrial areas for providing support to the user industry.

Payment terms. - (i) 10% alongwith application (earnest money)(ii)15% 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 lump sum within a period 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 15% 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 75% in five equal half-yearly instalments.(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 the event of any encumbrance(s) arising out of any other issue not finding mention in EMP-2005, the matter will be referred to Director of Industries for taking a decision.Note. - In case of NRIs/PIO's, 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 Director of Industries/GMs., DICs in the State/Investment Promotion Centre, as the case may be, along with 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 in the form of bank draft drawn in favour of Director Industries payable at Chandigarh as earnest money.* Copy of the project report with details of plant and machinery, means of financing, profitability projections, implementation schedule etc.* Copy of the partnership deed in case of partnership firm or Memorandum and Articles of Association in case of Private/Public Limited Company along with 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 Director of Industries 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 PC in case plot size is more than one acre. Further, the allottee will satisfy the department 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 with

the approval of Government. 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	Sheds	
		(Rs. per sq. mtr.)	(Rs. per sq. ft. covered area)	
		1st year	2nd year	
1	2	3	4	
1.	Category 'A'	75	150	30
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 agreement/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 and machinery ordered, the Director of Industries 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. 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 are as under :-

- | | |
|------------------------------------|------------|
| 1. Upto 1 acre | 25% of PCA |
| 2. Above 1 acre upto 5 acres | 20% of PCA |
| 3. Above 5 acres and 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 and after expiry of one year from the date of commencement of commercial production. 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. 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 institution. The change of management by transfer of majority shareholding shall also be treated as transfer under the policy. All transfers covered under the above provision shall entail payment of transfer fee prescribed as under :-

Sr. No.	Category	Plots	Sheds
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		(Rs. per sq. mtr.)	(Rs. per sq.ft. of covered area)
1	2	3	4
1.	Category 'A'	300	60
2.	Category 'B'	100	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 and are free from encumbrances. 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. 5,000/- will be charged in all such cases. However, prior permission is mandatory. For transfer of plots/sheds, the transferor will apply to Director of Industries 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 department. Director of Industries 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 referred to the Government for a decision. All transfer requests received by the department 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 Director of Industries 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 department before implementation of EMP-2005, shall be considered by the department 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) 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. 5,000/- shall be charged in all such cases. Change of Project. - The allottee may be called change of project, other things being equal, by Department 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. 5,000/- shall be charged. Leasing/Renting of Industrial Plots. - In order to ensure optimum utilisation of the industrial areas/industrial estates, leasing/renting of the balance 75% of premises of the building

will be allowed if the allottee has made construction as per the standard norms and has remained in production for one year provided he retains 25% of the premises for his own manufacturing activities. Such permission will be granted on payment of processing fee as prescribed hereunder :

Leasing period upto 5 years 10% of the transfer fee

Leasing period more than 5 years 25% transfer fee

In case the allottee, plans to lease out the entire plot/constructed area, the same shall be permitted if the allottee has made construction as per the standard norms and has remained in production for one year, subject to payment of the processing fee as prescribed hereunder :

Leasing period upto 5 years 50% of the transfer fee

Leasing period more than 5 years 100% transfer fee

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 Director of Industries. In case of unauthorized leasing a penalty equal to the prescribed leasing fee shall be imposed. Multiple leasing shall be permitted as under :-

Plot size (square meters)	Maximum number of leases
Upto 500	1
More than 500 and upto 1500	2
Above 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 Director of Industries 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. 5,000/- will be charged. All requests received by the department after coming into force of EMP- 2005, shall be considered under the new guidelines.

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 and 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.

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 Director of Industries.

Resumption/Surrender of Plots. - General Manager, District Industries Centre will be competent to resume plots in case an allottee defaults in complying with the terms and conditions of allotment/transfer/leasing etc. after prior approval of Director of Industries. The resumption of plot would be approved by Director of

Industries 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 headed by Principal Secretary, Industries, MD/HSIDC, 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 of Industries, MD/HSIDC 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 headed by Principal Secretary, Industries, MD/HSIDC, MD/HFC and Director of Industries, Haryana as the other members against the order of General Manager, District Industries Centre ordering resumption. 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.

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/HSIDC 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. the date of issue of notification.