

# RELEVANT EXTRACTS FROM INDUSTRIAL POLICY 2011

## 5.1 Industrial Infrastructure Development:

i) The HSIIDC would continue to be the nodal agency of the State for development of industrial infrastructure. The Corporation has successfully developed a number of Industrial Model Townships/ Industrial Estates at strategic locations in the State and plans to develop such projects at new sites besides expansion of existing ones.

It is proposed to transfer the management of all the existing industrial estates developed by HUDA and the Industries Department in the State to the HSIIDC in a phased manner so as to ensure up-gradation and maintenance of the facilities and services in these estates.

The HSIIDC would put in place a mechanism to associate the allottees in an estate in decision-making process for operation and maintenance services in the industrial estates developed and managed by it.

iv) The surplus generated by the developing agency from relatively more advanced industrial areas, will also be utilised/deployed towards:

- Infrastructure development activities in the State;
- Cross-subsidising the cost in hinterland / industrially backward areas for more balanced development.

iii) Wherever transfer of a plot is permissible, no Transfer fee will be charged for the second and subsequent transfers of plots allotted in the Industrial Estates developed by the HSIIDC. Only the application processing charges will be payable for each request.

However, each transfer will necessarily require registration of a Conveyance Deed in the name of the allottee/ transferee/ seller and the transferee/ buyer.

The condition of 'prescribed permissible use' for any transfer will be enforced strictly.

It would be compulsory for the Registering Authorities under the Revenue & Disaster Management Department to require a 'No Objection Certificate' from the HSIIDC before registering any Conveyance/Sale Deed in respect of plots allotted by the HSIIDC within its Industrial Estates;

iv) Wherever permissible, the Leasing fee will be payable only once irrespective of the period of lease and will be charged @ 50% of the fee applicable for the first transfer.

Further, there will be no restriction on the number of leases in a premises, subject to strict enforcement of permissible use/activity for the premises.

However, all lease deeds/agreements executed for a lease period of more than 11 months would be required to be registered;

v) Consultative bodies, with representatives from Industry, would be constituted to participate in the decision-making processes for the O&M and upkeep of infrastructure related services in any industrial estate;

viii) It has been decided to permit provision of subsidiary supporting facilities e.g. canteen, gym, common entertainment facilities etc. within the industrial plots without any additional charge, solely for the captive use of employees/ workers in an industrial unit. The area so earmarked/ used for these facilities

shall not exceed 4% of the total permissible covered area. These facilities shall not be allowed for any commercial purposes. It would not include any such eateries/ ATMs etc. for which the Allottee may charge lease rentals from the service providers or make these accessible to the outside public as well. Any misuse of such facilities, which are meant to be allowed only for the captive use of workers, would entail the severest penalty of resumption of the industrial plot.

### **6.3 One-time Voluntary Disclosure and Amnesty Scheme for regularisation of old case:**

It has been observed that the old allottees have committed certain violations of the terms and conditions of allotment in the past. These violations pertain to unauthorised transfers, unauthorised leasing, violation of building bye-laws and zoning regulations etc. The violators are not coming forward for regularisation of these transactions for the fear of payment of penalties and charges for the compoundable violations. Such instances are much more in Udyog Vihar Gurgaon, IMT Manesar, Bawal, Kundli, Faridabad areas. The Government has decided to introduce a one-time scheme for regularisation of such cases subject to the restrictions stipulated in the scheme itself.

### **6.4 The Scheme:**

- i) This Scheme would be in force for a period of six months from the date of notification of Industrial Policy and would be applicable only in the case of existing/running industrial units.
- ii) The cases decided in the past would not be reconsidered/ re-opened and the Scheme will have only a prospective effect limited for the prescribed period.
- iii) All cases of unauthorised transfer of plots on which industrial units have been established and are running for a period of one year or more would be considered for regularisation on payment of 'Transfer Fee' at the current rate along with interest @ 11% per annum from the date of

'agreement to sell' till the date of payment without any compounding fee/penalty in case of single transfers. Sale/ conveyance Deed would be executed in addition at the cost of the transferee. In case of multiple transfers, the cases would be considered for regularisation by charging twice the applicable transfer fee along with interest @ 11% per annum from the date of 'Agreement to Sell' till the date of payment in respect of the final/ last transfer;

iv) All cases of unauthorised leasing would be considered for regularisation on payment of the normal leasing fee as prevailing at the time of grant of lease along with interest @ 11% per annum from the date of lease agreement till the date of payment, provided the premises was leased out for a permissible activity. Wherever an allottee granted his premises on lease for a non-permissible activity in the past and the violation has been rectified within the operation period of the Scheme, the same may be regularised by charging twice the applicable leasing fee along with interest thereon.

v) Non-compoundable zoning violations, if any, will not be considered for regularisation under any circumstances and the violations must be rectified;

vi) Wherever buildings have been constructed in excess of the FAR permissible at the time of obtaining the 'Occupation Certificate', the same may be considered for regularisation subject to the same being covered within the revised permissible FAR limits under the DTCP guidelines/norms on payment of the applicable infrastructure strengthening charges. However, no compounding charges will be payable during the currency of the Scheme. Revised 'occupation certificate' will be issued in all these cases after regularisation. Non compoundable violations will not be considered for regularisation and such violations would have to be rectified upfront;

vii) In respect of the cases covered under paras 4(iii) and 4(iv) above, the allottee/applicants would be required to submit a certificate from a registered Architect empanelled with the HSIIDC certifying that no violations exist in respect of the zoning and building byelaws. The HSIIDC would accept such a certificate but reserve the right to carry out sample checks through its own staff. In case such a certificate is found to be false or is leading, suitable action would be taken against the Architect as well as the Applicant. In the case of Architect, he would be removed from the approved panel of Architects and a reference made to the Architectural Council of India for taking disciplinary action against the architect. In case of the Allottee-applicant, regularisation of the violation would stand revoked and follow-up action for compulsory rectification would be taken by the HSIIDC.

## Chapter 11

### Administrative Set-up and Facilitation

#### 11.1.5 Committee of Secretaries:

The State Government will constitute a Committee of Secretaries under the Chairmanship of Chief Secretary, Haryana with representatives of prominent chambers/ industrial associations and the Secretaries of various departments to facilitate hassle-free operation of industry. The Committee will consider and suggest amendments in the existing laws/procedures for smooth implementation of the policy. The committee will replace the existing Industry-Government Joint Task Force.

#### 11.1.6 Grievances Redressal Committee

The State Government has constituted a State Level Grievances Redressal Committee headed by Principal Secretary, Industries, to handle grievances and to decide on the issues which create bottlenecks in the smooth process of industrialization. Meetings of these committees would be held regularly and

recommendations of such bodies would be implemented in a time bound manner.

#### **11.2.2.2 Approval of Building Plans - self certification**

The facility of self-certification of building plans / DPC Certificates/Occupation Certificates has been granted to the plot owners for residential/ industrial buildings in terms of Notification bearing No.-JE(B)-2010/Misc-288-A/3319 dated 16 March 2010 issued by the Town & Country Planning Department, which can be accessed on the Department's website <http://tcpharyana.gov.in> The provisions of this Notification would as well apply in respect of the plots allotted by the HSIIDC in various industrial estates.

#### **11.2.3.3 Water (Prevention & Control of Pollution) Act, 1974 and Air (Prevention & Control of Pollution) Act, 1981:**

The State Government would authorise qualified engineers/ third party agencies to carry out inspections/ verification under the Water (Prevention & Control of Pollution) Act, 1974 and the Air (Prevention & Control of Pollution) Act, 1981.

#### **11.2.4 Revised approach in Pollution Control Regulations:**

i) No NOC/consent would be required in respect of industries not covered under any of the identified categories of polluting industries.

ii) MSME definition of Government of India would be strictly applied for grant of exemption from consent mechanism.

iii) The role of HSPCB would be streamlined for improving, optimising and upgrading the scope and quality of its activities so that businesses are carried out with improved environmental compliance. Sufficient checks and balances would be built in the administrative apparatus to prevent any misuse of discretionary powers.

iv) More private labs would be identified and authorised to facilitate testing of water/air samples.

v) Electronic filing of applications for obtaining NOC/consent for water/air pollution would be implemented in a time bound manner.

vi) The present consent fee/sample fee structure would be reviewed.

## RELEVANT NOTIFICATIONS

8 Area norms for considering the approval of building plans/ completion of projects for industrial buildings.

Policy Memo No.G-1784/SD(B)/2007/15081-110,

Dated 1.6.2007

(available on website i.e. [www.tcpharyana.gov.in](http://www.tcpharyana.gov.in))

9 Policy regarding grant of Change

17 Amendment in Rule 49 related to relaxation in height of industrial buildings

Haryana Govt., Town & Country Planning

Department Draft Notification No.10DP- 2004/1165, Dated 3rd

February, 2004 buildings existed before declaration of Controlled

Area Policy Memo No.S-1475-JD(B)-2008/2207-36,

Dated 1.2.2008

(available on website i.e. [www.tcpharyana.gov.in](http://www.tcpharyana.gov.in))

10 Self certification in licensed colonies of Residential/

Industrial Haryana Govt., Town & Country Planning Department

Notification No. JE(B)-2010/misc- 288A/3319, Dated 16.3.2010

11 Policy regarding area parameters Policy Memo No.5/23/2006-2TCP, Dated 30.5.2007 for Cyber Parks/ IT Parks in Residential Sectors.

(available on website i.e. [www.tcpharyana.gov.in](http://www.tcpharyana.gov.in))

13 Composition Policy for compounding unauthorized construction. Policy Memo No.5487-5510, Dated 16.3.2006. Available on website i.e. [www.tcpharyana.gov.in](http://www.tcpharyana.gov.in)

## RELEVANT EXTRACTS FROM ESTATE MANAGEMENT PROCEDURES 2011

3. The provisions of EMP-2011 shall be applicable to all the industrial plots allotted on or after the 1st of January, 2011.

### **Option**

4. The **previous allottees** have the option to either continue to be governed by the terms and conditions of allotment as provided in the agreements executed by them with the HSIIDC at the time of allotment as well as provisions of EMP applicable to such allottees or switch over to the EMP-2011 within a period of 6 months i.e. up to 30th of June 2011.

However, it is clarified that the allottees are not entitled to pick and choose the provisions as it best suits them and he/ she will have to opt for the EMP as a package. In case an allottee opts to switch over to the EMP-2011, he/ she will have to **submit a fresh unconditional undertaking** to accept and be bound by the provisions of EMP-2011 where after the Agreement executed earlier will be

deemed to be modified to that extent and the provisions contained in EMP-2011 will come into force in his case. Benefits under the EMP-2011 in old allotment cases will be available from Estate Management Procedures (EMP) 2011 in old allotment cases will be available from Estate Management Procedures (EMP) 2011 the date of furnishing of such undertaking and it will have no retrospective effect. In all other cases, the terms and conditions, as contained in the agreement / provisions of EMP applicable to them, shall prevail. However, the rates in respect of various services would be applicable as prevailing at the time of submission of a service request. Notwithstanding anything contained in this policy, all cases decided in the past as per old EMPs will not be re-opened.

### **5.12 Project Completion Certificate**

It will be obligatory on the part of the original allottee to obtain 'Project Completion Certificate' from the concerned Estate Manager which will be conclusive evidence with regard to completion/ implementation of the project. For this purpose, the allottee shall:

- i) Submit an application to the concerned Estate Manager (on the prescribed proforma along with all the relevant documents/information) within 15 days of completion of the project;
- ii) The Estate Manager shall inspect the Unit or cause the same to be inspected by a team of his officers within a period of 10 days, preferably in the presence of the applicant/allottee;
- iii) The Estate Manager shall issue the 'Project Completion Certificate' within 15 days of receipt of application, where the allottee's claim is found to be in order after verification of the information provided by the allottee;

iv) In case, the Estate Manager is not satisfied with the claim of the applicant allottee with regard to completion of the project, the request for issuance of Project Completion Certificate shall be declined in writing within 15 days of the receipt of application, clearly stating the reasons for such rejection.

## **B. Resumption of Plots/ Sheds**

6.4 The plots/sheds allotted by the Corporation are liable to resumption in the following circumstances:

- i) Non-completion of the project on the plot/ shed by the allottee within a period of three years (two years in case of shed) after 'offer of possession' by the Corporation or date of physical possession, taken by the allottee suomoto, whichever is earlier, unless extension has been allowed separately;
- ii) Non-payment of the dues of the Corporation towards the price of the plot/shed, enhancements, extension fees, transfer fees, leasing fee or any other penalties imposed on account of any compoundable violations, or the O&M charges/other dues;
- iii) Unauthorised transfer of the plot/ built-up premises/shed, unauthorised leasing of the plot/ premises/shed;
- iv) Construction of the factory buildings in violation of the FAR norms or non compoundable zoning regulations at any stage;
- v) Utilisation of the premises for an unauthorized activity, or indulgence in polluting or causing any nuisance activities as are not conducive to the neighbourhood environment within the estate.
- vi) Violation of any other terms and conditions of allotment.

6.5 In the event of any or all of the above conditions existing, the Estate Manager shall issue a notice to the allottee for rectification of the breach/ violation within a maximum period of upto three months (if otherwise permissible). In case the allottee does not take the corrective action within the said prescribed period of three months, the Estate Manager shall forward the case, along with his recommendations/comments, to the Head Office of the Corporation for appropriate action in the matter. Upon receipt of any such reference from the Estate Manager, the Estate Division at the Head Office shall issue a notice to the allottee at his last known address, by registered post/ speed post/ courier, to show cause as to why the plot should not be resumed. The allottee may be given a maximum of up to 30 days' time to respond to the show cause notice. Thereafter, the Managing Director or his duly authorised representative may grant him an opportunity of personal hearing, if requested by the allottee in his reply/ representation. The MD shall, thereafter, proceed with the passing of an appropriate order. A copy of the order shall be endorsed to the concerned Estate Manager with directions to take possession of the plot/shed, if the plot/shed is ordered to be resumed.

6.6 Resumption of a Plot/ built-up premises/shed would entail deduction of 10% price of the plot and refund of the balance principal amount, without any interest, within a period of 30 days of such order. In cases where the plot is resumed along with the structure constructed thereon, the allottee shall be at liberty to remove such structure from the plot at his own cost within a reasonable time of three months, failing which the Corporation may get the cost of construction of the building assessed from approved Valuer/ Chartered Engineer and pay this amount to the erstwhile allottee. In such cases, the re-allotment price of the plot will be inclusive of the amount so paid by the Corporation to the erstwhile allottee.

## **C. Restoration of Resumed Plots**

6.7 An appeal against the order of resumption passed by the Managing Director shall lie before a committee headed by the Principal Secretary Industries and MD/Haryana Financial Corporation & Director of Industries, Haryana being other members of the Committee. Such Appeal shall be made within ninety days of passing of resumption order.

6.8 The Committee may examine the appeal and also grant an opportunity of personal hearing to the appellant. The Committee may pass appropriate orders on the appeal after considering all the facts and circumstances of the case while following the principles laid down in the EMP.

## **D. The Process:**

6.9 The allottee is obliged to complete his project on the industrial plot/shed within the time-frame indicated in the letter of allotment and the agreement executed by him/ her with the Corporation. His failure to fulfil this obligation, leading to any of the conditions mentioned under para 6.4 above, empowers the Corporation to resume the plot/shed. However, the Corporation, before resumption, would invariably take the following steps:

- i) Remind him to get the building plans approved and start construction at site, if these steps are not taken within a period of one year of the offer of possession or taking over of physical possession by the allottee, whichever is earlier;
- ii) Caution him about the consequences of non-utilisation of the plot, at the end of two years of the offer of possession, while simultaneously advising him to take the requisite steps towards implementation of the project;
- lii) Issue a show cause notice for resumption immediately upon completion of three years of the offer of possession giving him

15 days' time to respond, afford an opportunity of personal hearing and decide the issue.

The above process is only to help the allottee adhere to a time-frame by way of reminders. Any failure to issue any or both the previous notices by the Corporation would not constitute a breach of the process of resumption.

### **E. Procedure in cases pursuant to the completion of the project:**

6.10 Once the allottee has completed his project as per the criteria laid down in para 5.10, the Corporation shall always be supportive of his peaceful enjoyment of the property subject to continued adherence to the terms and conditions of allotment and subject to the condition that he does not indulge in any activity listed under para 6.4 of the EMP.

## **Chapter 7**

### **Leasing / Renting of Premises constructed on Industrial Plots/Sheds**

7.1 Leasing of the premises constructed on industrial plots/sheds will be allowed for permissible industrial activities in order to ensure optimum utilisation of the built-up industrial space subject to the condition that the allottee has completed the project as defined in para 5.10 of the EMP and has obtained 'Project Completion Certificate' as defined in para 5.12 of the EMP. The allottee once allowed to lease out his premises under the previous policies can continue to lease out the premises. Leasing of Industrial Plots as such (i.e. where a building has not been constructed thereon) will not be permitted under any circumstances.

7.2 With a view to giving impetus to the technical training/ skill development for meeting requirement of skilled manpower for

the industry in Haryana, **leasing of industrial premises to technical training /skill development centres providing hands on training on industrial machines, leading to capacity build-up for the industrial sector shall be permissible**, subject to prior written permission of the Corporation. It is clarified that the academic institutions which grant degree/diploma courses shall not be permissible.

7.3 In order to be eligible for leasing, the allottee/ applicant **should have obtained the occupation certificate in respect of the premises, Project Completion Certificate, must not be a defaulter in payment of any dues of the HSIIDC** and also must not have committed any violation of the building bye-laws after obtaining the occupation certificate. The plots/sheds on which project has been implemented by any of the previous allottee(s)/ lessee(s) shall also be eligible for leasing. Further, **lease instruments exceeding 11 months period should be registered as per legal requirements.**

#### **7.4 Leasing Fee and Processing Charges:**

i) **The leasing fee will be @ 50% of the Transfer Fee applicable for the plot area**, and shall be chargeable only once in respect of the plot/ premises irrespective of the period of lease and the number of leases. In case of shed, the leasing fee shall be payable on the area of the plot under shed. However, in case of flatted factory, leasing fee shall be payable on the plinth area basis. The leasing fee shall be payable on the basis of FAR availed in the following manner:-

#### **FAR availed Leasing fee payable**

Upto 125% Leasing fee rate x plot area

Above 125% & upto 150% Leasing fee rate x Plot area x 150/  
125

Above 150% & upto 175% Leasing fee rate x Plot area x 175/  
125

Above 175% & upto 200% Leasing fee rate x Plot area x 200/  
125

125

Above 200 & upto 250% Leasing fee rate x Plot area x 250/

125

No leasing fee shall be charged in cases where premises is leased out to a concern/ firm owned by the original allottee/ his family members with minimum 51% share, subsidiary or holding company of the allottee company or a firm/ company owned by original promoters of allottee firm/company and no lease rental is charged by the allottee. Further, **no leasing fee shall be payable in case the allottee leases out the premises after running his unit for more than five years.** Wherever, the leasing fee (excluding interest and penalty) equal to 50% of the current transfer fee or more has already been paid in the past in respect of that plot/shed by the present allottee/ earlier allottee(s), under previous EMPs, no fresh leasing fee would be payable now. In other cases, the allottee will be required to pay the difference between the amount due under this policy and the amount already paid. However, the processing fee shall be payable in all cases where leasing fee is not applicable.

ii) While the **processing fee would** be payable upfront along with the request/ information (as the case may be), the Leasing Fee would become due from the date of signing of Lease Agreement. Payment **of Leasing fee** can be made within a period of 90 days from the due date **with interest @ 11% p.a.** on the amount from the due date till the date of payment. However, in case the leasing fee is not paid within a period of 90 days of the due date, interest @ 14% p.a. shall be charged for the entire period (from due date till the date of payment). Any default in payment of the Leasing Fees within a period of 180 days along with penal interest would amount to a default in terms of para 6.4 of the EMP and may attract consequential action. Any such breach would be compoundable only upon payment of double the leasing fee, along with applicable interest.

## 7.5 Number of permissible leases:

There shall be **no limit**/ restriction on the number of leases permissible in any premises subject to the condition that the premises is leased out only for the permissible industrial activity and meets the normal safety conditions.

## 7.6 Procedure:

i) The allottee, **after having fulfilled the eligibility criteria** as defined in the EMP, shall apply for the first leasing permission in the prescribed format along with the applicable leasing fee / the processing charges to the concerned Estate Manager, who shall examine the eligibility of the applicant and issue the requisite permission within a period of 30 days of the receipt of application. **In case the applicant is found to be ineligible, the Estate manager shall communicate the same to the applicant within a period of 15 days stating the reasons therefore and decline the permission.**

ii) Once the applicant has been permitted to lease out his premises, he may enter into the lease agreement for the permissible industrial activities and inform the Corporation along with the date of commencement of lease, particulars of the lessee, leased out area and the activity of the lessee along with the applicable fees / processing charges.

iii) **For every subsequent lease or change in lessee, the allottee will be required to inform the Estate Manager about such change, preferably 15 days in advance of signing the lease agreement** but not later than 15 days of execution of the lease deed along with requisite details.

iv) In the event a plot/shed is transferred and the transferee proposes to lease out the premises, he will have to deposit the applicable processing fee and submit details w.r.t. date of

commencement of lease, particulars of the lessee, leased out area, proposed activity of the lessee etc., preferably 15 days in advance of signing the lease agreement but not later than 15 days of execution of the lease deed.

v) The allottee shall file an annual certificate/ return (by 30th April each year) confirming the number and name of lessee(s), area leased out and uses of premises leased out during the year and status as on date.

## 7.7 Consequences of un-authorized leasing

i) A premises is deemed to have been leased out unauthorisedly if the allottee:

a) Leases out his premises or part thereof without complying with the eligibility criteria as defined in the EMP.

b) Leases out the premises for an activity which is not permissible e.g. an industrial plot can be leased out only for an Industrial activity and not for any office/ bank or commercial activity.

c) Leases out any part of the premises to a third party (Bank/ Food joint etc.) on rental basis under the garb of facility provided for the employees as allowed under para 12.6 of the EMP-2011.

ii) In case of any instance of unauthorised use/leasing of premises, the allottee will be given a period of three months, with provision for one more extension of three months (a maximum of six months) to discontinue the lease/ rectify the breach. In case the allottee fails to comply with the directions so issued, the Corporation will take recourse to resumption of the plot.

**Additionally, the allottee will be liable to pay 50% of the lease rentals received by the allottee or six times the leasing fee**, whichever is higher, as penalty for compounding the violation during such period.

lii) Further, overall compliance of the terms and conditions of allotment of the plot will be the responsibility of the Allottee qua the HSIIDC and the **Corporation will not enter into any correspondence with the lessee on this account.**

## **Chapter 8**

### **Transfer of Plots/ Sheds**

**8.1** Notwithstanding that the plots/sheds are allotted by the HSIIDC on free-hold basis, the allotment/**management of the industrial estates are being regulated by the Corporation** with the sole objective of industrialisation in the State of Haryana. To meet this end, the allotment of industrial plots/sheds is made to the prospective entrepreneurs for setting up their industrial ventures, after following due procedure, involving inviting applications, personal interviews and thereafter selection of the applicant. As such, the allottee is required to utilise the plot/shed by implementing the industrial project within a stipulated period. **To that extent, the expression 'Free-hold' is restrained by the attendant conditions.** It is for this reason that transfer of unutilised/ vacant plot/shed is not permitted.

### **8.2 What constitutes a Transfer?**

A plot/ shed allotted by the HSIIDC amounts to transfer in the following circumstances:

i) In case of individual allottees, there is a change of ownership, by whatever means, i.e. through a sale deed, an agreement with the intent of transfer on a future date, or by way of Power of Attorney (except in favour of family members) ;

ii) In the case of Partnership Firms and Limited Liability Partnerships (LLPs), there is a change in the partners whereby the majority stake (51% or above) gets transferred through exit of any the partner(s) at the time of allotment and /or induction of new partner(s) and the share of the original remaining partner(s) is diluted below 51%;

iii) In the case of Private Limited Companies, there is a change in the promoters/directors whereby the majority stake (51% or above) gets transferred through exit of the shareholders at the time of allotment and /or induction of new shareholders and the share of the original remaining shareholders is diluted below 51%;

iv) In the case of a Listed Company, where the shareholders having largest shareholding as well as management control have changed their hands;

v) In the case of a Government Company, the change in ownership through disinvestment of shareholding of 51% or more or by way of divestment;

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vi) In case of Merger/ Amalgamation/ Take-over of the allottee company, consequent upon the orders of the Competent Court/Central Govt., where the majority stake of the equity shareholders/ management control gets transferred in favour of third party.

### **8.3 Due diligence and warning to purchasers:**

Transfer of an unutilised / vacant plot/shed is not permissible under any circumstances. In case any third party purchases or acquires interest in a plot/shed before completion of the project in any manner, without prior written permission of the Corporation, **he bears the risk of its resumption** notwithstanding that he may plead ignorance about the rules and the facts about the property at the time he entered into the sale-purchase agreement. Hence, it is the duty of any purchaser to carry out due diligence, verify the transferability of the plot/shed and the amount outstanding and payable to the HSIIDC at the time of entering into any agreement.

The information in this respect can be gathered from the Estate Offices of the HSIIDC. It would be advisable that such information is also sought in writing from the HSIIDC Estate Office. As a general rule, transfer request through Power of Attorney shall not be accepted. However, Managing Director may accept such request in exceptional circumstances, for reasons to be recorded in writing.

### **8.4. Eligibility Criteria for the First Transfer:**

- i) A first-time **allottee is eligible to transfer his/her/its plot/property only after one year of project completion as defined under para 5.10 of the EMP- 2011, and obtained 'Project Completion Certificate'** as defined under para 5.12;
- ii) A first-time allottee is also allowed to transfer the property if he/it has been allowed to lease out the complete property under the provisions of policy in force from time to time and the lessee having already implemented the project on the premises;
- iii) The transfer of plot/shed will be allowed without the condition of completion of project in case of inheritance, will or within the

family members of the allottee (except in case of preferential allotment in favour of NRI / person with disability), succession due to death of the allottee/ majority shareholders or takeover by Banks/ Financial institutions.

### **8.5 Subsequent transfers:**

Once an allottee has been allowed to transfer the plot/ property, the transferee is expected to use it for permissible industrial activity. However, there will be no preconditions on subsequent transfers by the re-allottees so long as:

- i) The applicable processing charges are paid to the Corporation;
- ii) The property is used for carrying out permissible industrial activity;
- iii) No violation of building bye-laws, FAR and zoning regulations are made at any stage;
- iv) The dues of the Corporation are paid in time;
- v) The transfer is effected with prior written permission of the Corporation.

No transfer fee would be charged by the Corporation in case of subsequent transfers, provided the first transfer has been made with the permission of the Corporation.

However, every subsequent transfer would entail payment of processing charges and execution of a Registered Sale Deed as per the law.

### **8.6 Transfer fees and Processing charges:**

- i) Wherever transfer is permissible, save exempted categories as mentioned under para 8.7 below, the transfer fee shall be payable as under:

Sr. No. Category of Estates Plots (Rs. Per Sq. Mtr)

1 Category 'A' 300/-

2 Category 'B' 150/-

3 Category 'C' 50/-

In case of shed, the transfer fee shall be payable on the area of the plot under shed. However, in case of flatted factory, transfer fee shall be payable on the plinth area basis.

ii) In case the transfer is made within one year of project completion, the fee charged will be 50% of the difference of the current allotment price and original allotment price of the plot/shed or double the transfer fee, whichever is higher.

iii) Transfer fee, wherever applicable, would be charged at double the normal rate in case the transfer request is received by the Corporation (i) beyond 60 days from the date of agreement to sell or (ii) after execution of sale deed in favour of proposed transferee. Besides, interest @ 11% p.a. shall be payable from the date of agreement to sell/ sale deed till the date of payment of fee to the Corporation. Further, in case of substantial delay in submission of transfer request, a penalty equivalent to 10% of the applicable transfer fee, shall be payable for each year of delay or part thereof, in addition to double the normal transfer fee.

iv) In case the transfer of plot/shed is effected at the stage of Provisional Transfer Letter (PTL) or the plot/ shed is transferred more than once without permission of the Corporation, Managing Director is authorized to regularise transfer(s) by charging appropriate fee (at least double the normal transfer fee for each such transfer alongwith interest @11% p.a.) considering merits of each case.

v) In case of non compliance of conditions of Provisional Transfer Letter (PTL) within a period of 120 days, penalty

equivalent to 25% of normal transfer fee as per EMP-2011 shall be charged for regularising the delay beyond 120 days, in compliance of PTL conditions.

### **8.7 Categories exempted from payment of Transfer Fee:**

No transfer fee will be payable in the following cases:

- i) Transfer of plot after the allottee has run his industrial unit for a period of more than five years;
- ii) Transfer by way of inheritance, will or within the family members of the allottee;
- iii) Succession due to death of owner/allottee/ majority shareholders;
- iv) Take over by financial institution where mortgage permission has been granted by HSIIDC.
- v) Second or all subsequent transfers, with prior permission of the Corporation. In the cases covered under above categories, only the applicable processing fee will be payable along with the transfer request. However, prior written permission of HSIIDC is required in all cases of transfers. Dues of the Corporation, if any, shall be required to be cleared before permitting any such transfer. It may also be clarified that every transfer, including the first transfer, will be allowed only after registration of Conveyance Deed.

### **8.8 Consequences of unauthorized transfers:**

A transfer is unauthorised where the transfer of plot/shed is not permissible as per provisions of the EMP-2011. Any transfer, which is otherwise permissible, but has taken place without prior written permission of HSIIDC, also constitutes an unauthorised transfer. The allottee/ successor-in-interest, as the case may be, will have to bear the consequences of such unauthorised transfer. The consequences of unauthorised transfers would be as under:

- i) In case the vacant/ unutilised plot/ shed has been transferred without completion of the project, the Corporation will take recourse to the resumption proceedings.
- ii) In cases where the allottee/ successor-in-interest comes before the Corporation for regularisation of the transfer after a substantial part of the building (minimum 75 % of PCA) has been constructed or the project stands implemented, for which the parties had entered into an agreement at the back of the Corporation at a time when the transfer was otherwise not permissible, it may be compounded by charging (i) the difference between the allotment price and the current price, or
- iii) double the transfer fee, whichever is higher.
- iv) Wherever, the transfer is otherwise permissible without payment of any transfer fee, but the same has been effected without prior permission of the Corporation, the same may be regularised on payment of the applicable transfer fee as mentioned under para 8.6(i), along with interest payable from the due date.

### **8.9 Procedure:**

- i) An application for transfer can be made by the authorised person as detailed below:
- The allottee himself in the case of an individual/ sole proprietorship or the lawful successor in case of inheritance/ will/ death of the original allottee;
  - One of the partners with authorisation from other partners in the case of a partnership firm;
  - One of the Directors, alongwith copy of the resolution passed by the BoD of the company, in the case of a Private Limited Company;
  - The Company Secretary/Manager, duly authorised through a resolution of the Board of the Company, in the case of a Public Limited Company.

ii) The allottee/ transferor shall have to obtain a 'Letter of eligibility for Transfer' of plot/shed from the concerned Estate Manager by submitting prescribed application form containing the relevant information/documents along with demand draft for the applicable processing fee;

iii) The Estate Manager shall verify the contents of the application, the applicant's 'no-default' and 'compliance' status in all respects which shall include (a) project completion as per clause 5.10 of EMP; (b) Completion certificate as per clause 5.12 of EMP; (c) clearance of all dues, and (d) execution of conveyance deed. In case of any default on any account, the Estate Manager shall inform the applicant of such default, within 15 working days requiring him to take corrective steps;

iv) Once it is established on verification that the applicant is eligible for inprinciple transfer permission and there is no outstanding default, the Estate Manager shall issue the 'Letter of eligibility for Transfer' within 15 working days;

v) After receipt of 'Letter of eligibility for Transfer', as soon as the applicant allottee/ re-allottee identifies the buyer, he/it shall approach the Estate Manager concerned for transfer permission in the prescribed format containing the relevant information/documents along with demand draft towards the applicable transfer fee/ processing charges;

vi) The Estate Manager shall verify the completeness of the application, the purpose for which the proposed transferee would be utilizing the premises and other prescribed parameters within a period of 07 working days. In case the application/request is found to be in order, the Estate Manager shall issue a Provisional Transfer Letter (PTL) containing the terms and conditions for such permission within 15 working days. In case the application is found incomplete or deficient in any respects, the applicant will be informed of the same along with the deficiencies within a period of 15 working

days; vii) The terms and conditions of Provisional Transfer Letter (PTL) will be complied with by the transferor /transferee within a period of 120 days from the date of issue of the PTL;

viii) Pursuant to the completion of formalities contained in PTL, the Estate Manager would facilitate the execution of conveyance/sale deed, issue the letter of re-allotment in favour of the transferee, execute agreement with the transferee, whereupon the proposed transferee shall become an allottee/ re-allottee of the Corporation.

## **Chapter 9**

### **Change in Constitution/ Shareholding**

9.1 Change in constitution from individual/Joint holders to a Partnership Firm/company or from Partnership Firm to a Company shall be permissible at any stage provided the entire shareholding/ ownership of the firm/company/project is with the original allottee and / or his/her family members (spouse, son, daughter, parents, brothers, sisters, grand son, grand daughter and their spouses). Applicable processing fee shall be payable in such cases. Prior written permission of Corporation shall be mandatory. In case of preferential allotment in favour of NRI / person with disability, the allottee must retain at least 51% stake till one year after project completion.

9.2 In case the change in constitution involves induction of a third party (other than family member as defined in clause 9.1) into the firm/ company/ project, before completion of the project, the same can be allowed on payment of fee equivalent to 50 % of transfer fee, as defined in para 8.6 (i) of the EMP, for dilution of equity upto 26% and 100% of transfer fee for dilution of equity above 26% and upto 49%, subject to the condition that the original allottee/ his family members retain minimum 51% share in the firm/company/project till one year after completion of the project as defined in clause 5.10. Prior written permission of Corporation shall be mandatory. In case the share of original allottee/partners/shareholders in the firm/company/project falls

below 51%, it shall amount to transfer and shall be dealt under the relevant provisions.

9.3 In cases where a Private Limited Company becomes a Public Limited Company listed with recognized stock exchange, the change in constitution may be allowed on payment of the applicable processing fee subject to the condition that the allottee or his associates (family members), retain the largest share holding with management control, otherwise it will be treated as a case of transfer.

9.4 In case the allottee is a company and intends to implement the proposed project through its subsidiary company, such a request can be considered by the Managing Director subject to the condition that the entire paid up capital of the subsidiary company is held by the allottee company and its shareholders/promoter Directors.

Similarly, implementation of project through holding company of the allottee company as well as through a concern/company promoted/owned by the original allottee / partners of allottee firm /promoter/directors of allottee company and their family members shall also be covered under this clause. Applicable processing fee shall be payable in such cases.

Estate Management Procedures (EMP) 2011

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## **Chapter 10**

### **Change of Project**

10.1 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 for implementation of the project. However, while permitting change of project, factors such as its nature of pollution, high water consumption/ effluent shall be considered.

10.2 The transferee, on re-allotment, will also be required to submit his brief Project Report and require approval of the Project from the Estate Manager. Change of

Project will also be permissible in the same manner as in the case of a first-time allottee.

10.3 Applicable processing fee shall payable on each request. Prior written permission of Corporation shall be mandatory.

10.4 In the case of allotment of plots/sheds in product specific Industrial Estates/ Parks e.g. Food Park, Technology Park, Footwear Park, Agriculture Implements, Textile park etc., the request of allottee for change of project shall be considered only for specified units in that particular Estate/ Park.

12.5 It has been decided to treat 'ware-housing', 'skill development centres', and 'B-2-B' stocking and trading facilities, in the earmarked zones in respective industrial estates, as eligible categories for allotment of plots in Industrial Estates. The HSIIDC would separately evolve the guidelines in this behalf, which would become a part of the EMP.

### **12.6 Permissible use for ancillary facilities**

The Industrial plots are allotted for the permissible industrial activity only and not for any commercial, residential, or institutional use. However, it has been decided to permit the industrial plots to utilise up to a maximum of up to 4% of the permissible covered area for subsidiary facilities e.g. cafeteria, canteen, gym, ATM etc. for the captive use of the employees working in such industrial unit without any additional charge. However, it may be clarified here that this entitlement would be corresponding to the actual covered area constructed at any point of time. Provision of such facilities for general public on commercial basis would not be permissible under any circumstances and shall be considered as an unauthorised use of the premises entailing the consequential action.

## **12.9 Infrastructure augmentation charges**

The FAR admissible for the general industry as on today is 125%, which used to be 75% earlier. The old allottees of industrial plots with lower FAR are also allowed to avail the presently permissible FAR of up to 125%. In addition, special provisions have been made for enhanced FAR for certain categories of industries as notified by the Town & Country Planning Department vide its Notification dated 20.01.2009. The admissibility of enhanced FAR in all these categories is allowed on payment of infrastructure augmentation charges. **The details of these charges shall be worked out and notified by the HSIIDC separately, which shall become a part of the EMP- 2011.**

**(Format of Undertaking to be furnished by existing allottees for those who wish to switch over to EMP-2011)**

***To be executed on **non-judicial stamp paper of Rs.10/-** to be purchased in the name of the executant in case of individual/ in the name of partnership firm in case of partnership firm/ in the name of company in case of company and signatures should be got attested from notary public/ first class magistrate and photograph of the director/ individual/ partner signing the undertaking on behalf of the company/ individual/ partnership firm should also be pasted and attested from notary public/first class Magistrate.***

# UNDERTAKING

## PHOTOGRAPH

The Managing Director,  
Haryana State Industrial & Infra. Development Corporation  
Limited,  
C-13-14, Sector-6  
Panchkula.

I, \_\_\_\_\_ S/o \_\_\_\_\_  
\_\_\_\_\_ resident of \_\_\_\_\_  
\_\_\_\_\_ Director/

Partner/Proprietor of  
M/s \_\_\_\_\_,  
having its registered office at \_\_\_\_\_,  
allottee of plot/ shed No. \_\_\_\_\_ Phase/Sector \_\_\_\_\_,  
Industrial Estate \_\_\_\_\_ do hereby agree and undertake  
as under:-

1. \* That I have been duly authorized by the Board of Directors  
of M/s

\_\_\_\_\_ (allottee)  
vide resolution passed in the Board meeting of the allottee  
company held on \_\_\_\_\_ to furnish this undertaking  
on behalf of the allottee company. (A certified copy of the  
resolution of Board of Directors is enclosed.) (\* Applicable in the  
case of Company).

2. \*\* That I have been duly authorized by the other partners of  
the firm namely

S/Sh. \_\_\_\_\_,  
S/oD/oW/o \_\_\_\_\_,  
\_\_\_\_\_, R/o \_\_\_\_\_

(either by way of authority letter or by way of partnership deed  
duly executed, whichever is applicable may be mentioned) to  
give this undertaking on behalf of the partnership firm. Copy of  
the authority letter/ partnership deed, duly attested is  
enclosed. (\*\* Applicable in case of partnership firm).

3. That I/we have been allotted/ re-allotted Plot/shed No. \_\_\_\_\_, phase/Sector \_\_\_\_\_, IE \_\_\_\_\_ measuring \_\_\_\_\_ Sq. Mtrs. vide Regular Letter of Allotment (RLA)/Re-allotment Letter dated \_\_\_\_\_ by HSIIDC and agreement in this regard has also been executed by me /us with HSIIDC

4. That I/We am/are aware that the allotting agency i.e. Haryana State Industrial & Infrastructure Development Corporation Ltd. (HSIIDC) has introduced Estate Management Procedures (EMP) - 2011, effective from 1st of January, 2011 for the management of its industrial estates. I/we have gone through the EMP-2011 and understood the contents thereof.

5. That I am/ we are desirous of **switching over to the provisions contained in EMP-2011** and am/are are aware that on furnishing this undertaking, the provisions of EMP-2011 shall become effective in respect of my/our plot / shed from the date of furnishing of this undertaking and the **agreement executed earlier will be deemed to be modified to that extent**. Further, I/we are also aware that the benefits of EMP-2011 will be available in my/our case from the date of furnishing this undertaking, without any retrospective effect.

6. That I/ we, hereby unconditionally undertake to accept and be **bound by the provisions of EMP-2011**, as a package, from the date of furnishing this undertaking.

Executant

Place: \_\_\_\_\_

Dated: \_\_\_\_\_