

**HARYANA STATE INDUSTRIAL & INFRASTRUCTURE DEVELOPMENT CORPORATION LTD.
PANCHKULA**

DRAFT

Proposed Changes/Relaxations in Estate Management Procedures (EMP)-2015

With a view to further liberalize the Estate Management Procedures, the following amendments/relaxations in EMP-2015 are under consideration of the Corporation. Comments are invited from the various stake holders. The comments may be sent by 10th March, 2016 through email at info@hsiidc.org.in, referring to the specific clause of EMP.

Chapter 1 - Development of Industrial Infrastructure

S. No.	Clause No.	Proposed change
1.	Annexure 1.1 Primary Level Infrastructure:	In addition to motorable roads for access to the site, water supply system, Electrical infrastructure comprising of the distribution system network, the following facilities are proposed to be included in the primary level infrastructure: <ol style="list-style-type: none"> 1. Sewerage/Drainage disposal 2. Sewerage treatment up to primary level 3. Solid waste disposal sites
	Secondary Level Infrastructure facilities:	The above three facilities, proposed to be included in primary level facilities are proposed to be deleted from secondary level infrastructure facilities.

Chapter 2 - Pricing of plot

S. No.	Clause No.	Proposed change
1.	2.3 Treatment of enhancement in the compensation paid to the landowners: A. Allotment of industrial plots/ sheds made before coming into force of EMP-2015	In addition to the existing provision under EMP-2015, it is proposed that wherever the litigation pertaining to enhancement in land compensation U/s 18 of land acquisition Act is pending before the competent Courts/any such case is filed in future, the Industrial Association of the respective Estate/Allottees shall be made aware of the same, so that they can also defend the cases, if they so desire. Further, the allottees shall have the option to deposit the tentative enhanced cost during the pendency of the court case/raising of actual demand by the Corporation, so as to save the interest cost liability of the allottees.
2.	2.4 Revision of prices of plots in various categories:	The following para is proposed to be added: In case there is low demand in any industrial estate, with a view to maintain marketability of the plots, the Corporation may consider downward revision of prices up to 20% at a time in line with the market price, on the recommendations of the Business Advisory Committee.

Chapter 3- Allotment of Industrial plot

S. No.	Clause No.	Proposed change
1.	3.3 1 (b) Prestigious project definition	It is proposed to revise the threshold limit for prestigious projects from Rs. 50/40/30 crore to Rs. 30/20/10 crore for A,B & C category respectively as was prevalent in EMP-2011.
2.	3.3 ii. Receipt of applications for industrial plot allotment	Applications for general, FDI/NRI and persons with disability category shall be accepted by the Corporation on an on-going basis till 60% of carved out area of industrial plots of an industrial estate/sector/phase are sold out. The applications so received shall be placed before the Plot Allotment Committee on periodic basis for considering allotment of plots.
3.	3.4.vi - Tatkal Allotment	Proposed to be incorporated as under: Tatkal Allotment, within two weeks, may be considered by the Managing Director of the HSIIDC at 25% higher price. In such cases, if the original allottee implements the project within two years of offer of possession, it shall be entitled to refund of VAT paid in respect of sales made from the unit concerned, to the extent of 50% of land cost, by the State Government, subject to concurrence of the State Government.
4.	3.6 Payment terms/ 4.4 Consequences of offer of possession	The following changes are proposed: a. Reduction of regular interest rate on installments from 12% p.a. to 11% p.a. b. Reduction of penal interest rate applicable in case of default on installments from 15% p.a. to 13% p.a. c. Period for payment of enhanced cost shall be five years instead of three years for demand notices to be issued in future in respect of existing allottees. d. Reduction in rate of interest on various types of fee charged by the Corporation from 12% p.a. to 11% p.a. e. The benefit of reduction in rate of interest on plot cost, enhanced cost and other dues shall be available prospectively to the existing allottees also on the existing liabilities w.e.f. 01.04.2016. f. In case of suo moto physical possession of the plot, the time period for project implementation shall also be reckoned from the date of formal offer of possession instead of suo moto physical possession, presently applicable.

Chapter 5- Period allowed for project implementation/completion

S. No.	Clause No.	Proposed change
1.	5.2 to 5.6 - Extension provisions	a. Extension for 1 st , 2 nd & 3 rd year beyond initial three years period shall automatically stand granted on payment of normal fee without any pre-condition. No need to apply for extension, automatic extension on payment of fee.

		the Corporation, the project shall be considered as implemented/completed.”
4	5.13.i Building plan approval	The following is proposed to be added in this clause: The concerned DTP/STP shall not be required to issue any acknowledgement thereof. However, as far as feasible, standard zoning of the industrial plots shall be uploaded on the website of the Corporation.

Chapter 6 - Surrender/resumption of plot

S. No.	Clause No.	Proposed change
1	6.1.a Surrender of plot	The following is proposed to be added in this clause: In case of surrender of the plot either due to death of the allottee or before offer of possession by the HSIIDC or the HSIIDC is not in a position to offer possession of the plot free from encumbrances or offer alternate similar plot to the satisfaction of the allottee, the refund would be made without any deduction. Further, along with surrender request, the allottee shall submit details of his bank account for payment through electronic mode.
2	6.2 Resumption of plot	Clause 6.2.a.i & 6.2.a.iii are proposed to be deleted.

Chapter 7 - Leasing/renting of premises

S. No.	Clause No.	Proposed change
1	7.6.i to iii Procedure	Clause 7.6.i to 7.6.iii shall be substituted as under: The allottee shall be at liberty to lease out the premises after complying with the eligibility criteria. No permission shall be required from HSIIDC, however, the allottee shall intimate the corporation, the name of the lessee, his project details and make payment of leasing fee, if applicable, along with interest @ 11% p.a. from the date of commencement of lease, within 30 days.
2	7.7 Consequences of unauthorized leasing	Clause 7.7.i & 7.7.ii is proposed to be substituted as under: In case of any instance of use of premises by the allottee/lessee for non-permissible activity/commercial activity, the allottee will be given six months period to discontinue the lease/rectify the breach. Additionally, the allottee will be liable to pay penalty equivalent to 1.5 times the normal transfer fee presently being charged, for compounding the violation.

Chapter 8 - Transfer of plot

S. No.	Clause No.	Proposed change
1	8.5 Transfer eligibility	In transfer eligibility for first transfer, the following clause is proposed to be inserted. 8.5.i.e. In cases, where premises is leased out after obtaining occupation certificate but without implementation of the project

		by the allottee, the plot shall be eligible for transfer after implementation of the project by the lessee.
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Chapter 10 - Change of project

S. No.	Clause No.	Proposed change
1	10.1	<p>Clause 10.1 is proposed to be amended as under:</p> <p>“The allottee may change the project at any stage for permissible activities only. Though no prior approval shall be required from HSIIDC for any such change of project, however, the allottee shall be required to intimate the same to the concerned Estate Manager of HSIIDC within 60 days of such change. Further, while undertaking any such change of project, factors such as nature of pollution, high water consumption/ effluent, availability of requisite infrastructure facilities in the concerned industrial estate to meet the proposed project parameters etc. shall be considered by the allottee and any approvals in this regard, if required, from State/Central Government, Pollution Control Board, Other Regulatory Bodies / authorities and compliance of their norms, shall be the responsibility of the allottee. The period for implementation of the changed project shall remain the same as per terms of allotment. No fee shall be payable for any such change of project”.</p>

Chapter 11 - Bifurcation of plot

S. No.	Clause No.	Proposed change
1	11.1 & 11.2	<p>Clause 11.1 & 11.2 are proposed to be amended as under:</p> <p>“Bifurcation of industrial plots of only two acre size and above will be permitted at any stage, subject to planning parameters. Such plots can be bifurcated only once and in not more than two plots subject to the condition that none of the sub-divided plots is less than one acre. The bifurcation will be permitted only for permissible activities. In case the allottee transfers the bifurcated plot to some other person, then provisions of transfer as contained in chapter-8 shall be applicable. The other terms and conditions of allotment shall be applicable in such cases”.</p>

Chapter 12 - Residual Matters

S. No.	Clause No.	Proposed change
1	12.1 Extension in time for project implementation upon transfer of plot in favour of legal heirs of deceased allottee	<p>Clause 12.1 is proposed to be amended as under:</p> <p>“In case the project is not implemented/ completed within the stipulated period on account of death of the original allottee, the Estate Manager shall be competent to extend the period and allow implementation of the project within two years of transfer of plot in favour of legal heir(s) of the allottee without extension fee”.</p>
2	12.2 & 12.3	Proposed to be deleted in view of amendments in extension provisions.
3	12.10 Infrastructure augmentation charges for	<p>Clause 12.10 is proposed to be amended as under:</p> <p>“The FAR admissible for the general industry as on date is 125%. In addition, for certain categories of industries like IT/ITES,</p>

	Higher FAR	<p>garments, footwear etc., as notified by the Town & Country Planning Department vide its Notification dated 20.01.2009, special provisions have been made for enhanced FAR. The admissibility of enhanced FAR in all these categories is allowed on payment of infrastructure augmentation charges. Higher FAR of up to 200% on road width of 15 meters & above for general industry shall be considered, subject to concurrence of the State Government in the Department of Town & Country Planning, Haryana.</p> <p>Further, the issue regarding increasing the limit, from existing 10%, for compounding of excess coverage, shall be taken up with the Town & Country Planning Department, with higher compounding fee, for compounding the violations on account of excess and decision of the State Government in this regard shall be implemented”.</p>
5	12.15 One time re-schedulement of outstanding enhanced cost liability of existing allottees.	<p>The following clause is proposed to be added:</p> <p>“The Corporation had raised demand for payment of enhanced cost from the existing allottees in the past consequent upon the enhancement in land acquisition cost awarded by the competent courts. As per the demand notices, the payment was required to be made in five/six half yearly instalments along with interest @12% p.a. and in case of default, delayed payment interest is chargeable @15% p.a. compounded half yearly on the amount in default for the period of default. The allottees had been approaching the Corporation for increasing the payment period/deferment of these dues on account of not being able to meet this liability out of cash accruals from their business operations as well as non-availability of bank finance for the same.</p> <p>As a onetime relief to the existing allottees, the outstanding enhanced cost liability calculated up to 31.03.2016 as per the demand notice(s) shall be rescheduled and allottees shall be given facility to pay the same by December 2018 by way of six half yearly instalments due on 30th June & 31st December each year, along with interest @11% p.a. on the outstanding amount. However, in case of delay in payment of enhanced cost instalment as per the re-schedulement, the allottee shall be liable to pay penal interest @13% p.a. compounded half yearly on the amount in default for the period of default.”</p>

The amendments in EMP-2015 approved by the Board shall have prospective effect.
