

HARYANA URBAN DEVELOPMENT AUTHORITY

ESTATE MANAGEMENT PROCEDURE (EMP-2011) OF HUDA

INTRODUCTION

The Industrial Policy 2011 announced by the State Government provides for the laying of guidelines for the management of estates, allotment, transfer, leasing, renting etc. of plots & other assets by the State Developing Agency.

In line with the decision of the State Government, the Haryana Urban Development Authority shall be governed by the following Estate Management Procedure hereinafter referred to as "EMP-2011".

For the purpose of implementation of the EMP-2011 the various industrial estates developed by HUDA are being categorized as under:-

Block 'A'	:	Industrial Estates Gurgaon, Faridabad, Ballabgarh, Panipat, Sonapat, Murthal Kundli.
Block 'B'	:	Panchkula, Bahadurgarh, Hisar, Dharuhera, Roz-ka- Meo.
Block 'C'	:	Rewari, Kurukshetra, Bhiwani, Hathin, Hansi, Ratia, Sirsa, Pehowa, Dabawali, Kalanwali, Fatehabad, Adampur.

1-Allotment of Plots

1.1. Subject to availability, the allotment of Industrial plots will be governed as under:

- i) On an on-going basis in respect of Mega Projects involving a fixed capital investment (i.e. land, building, machinery & misc. fixed assets) of Rs. 100 crore and above or projects involving employment generation of more than 500 persons and serving as anchor units for proliferation of ancillaries.
- ii) On a quarterly basis in the following cases:
 - a) Prestigious projects involving fixed capital investment as mentioned hereunder:
 - i) Category 'A' Estates - Rs. 30 crore and above.
 - ii) Category 'B' Estates - Rs. 20 crore and above.
 - iii) Category 'C' Estates - Rs. 10 crore and above.
 - b) Projects being set up by NRIs / PIOs;
 - c) Units with 33% or more FDI in total investment;
 - d) Projects being set up by persons with disabilities

The applications in respect of all these categories can be submitted on an ongoing basis to the HUDA and processed by HUDA.

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

1. 2 Steps involved:

- i) The applicants will be required to submit their applications to the HUDA in the prescribed format (available on the web-site of the HUDA) along with 10% of the tentative price of the plot and a non-refundable processing fee. However, the rates of processing fee are subject to revision from time to time and may be checked on the website of HUDA for regular updates;
- ii) The applications so received will be scrutinized/ processed in-house in the HUDA for their completeness;
- iii) The applicants will be invited for interviews before the Committees appointed, as applicable, with a reasonable notice of no less than 7 days dispatched by way of registered post/speed-post/ courier services;

1.3 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 customized package), allotment of industrial land/ plot shall be made on ongoing basis by the Haryana Investment Promotion Board (HIPB) under the Chairmanship of Chief Minister, Haryana.
- ii) Allotment of Plots for prestigious projects involving specified fixed/tangible capital investment (Rs. 30/20/10 crore or above) as mentioned at 1 (ii) (a) above, will be made by the following committee:

1.	Principal Secretary, Industries	Chairman
2.	Chief Administrator, HUDA	Member
3.	Director, Industries	Member
4.	MD, HSIIDC	Member
5.	MD, Haryana Financial Corporation	Member

For other categories the allotment will be made by the following committee.

1.	Chief Administrator, HUDA	Chairman
2.	Zonal Administrator, HUDA	Member
3.	Director, Industries	Member
4.	Administrator, HUDA, HQ	Member Secretary

Note: Substitution can be made in extreme exigencies with an officer of the level of at-least Joint Director, in case of D.I., Haryana, and Administrator, HUDA, Panchkula, in case of Administrator, HUDA (HQ).

1.4 Reservation of Plots:

- I. Upto 10% of the plots/sheds will be reserved in each Estate for allotment to NRIs/ PIOs and for units with 33% or more FDI in total investment. In

case of NRI Plots, the entire amount towards the price of the plot has to be remitted through NRE Account of the applicant or in remittances from abroad/ foreign exchange. In the case of FDI, at least 33% of the Project Cost has to come from the FDI route. However, the 10% limit would not preclude allotment of plots in the FDI category as a part of the general scheme of allotment;

- II. 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 un-allotted plots may be utilized under the general category.

1.5 Preference:

Preference will be given to the following categories of applicants:

i) For prestigious projects involving specified fixed capital investment (Rs.10/20/30 crore and above):

- a) Projects involving creation of ancillaries and large employment opportunities of more than 300 persons;
- b) Existing industrial units for meeting their expansion/ re-location requirements;
- c) Projects involving introduction of state-of-the art/ new technology;
- d) New Investments by promoters with established credentials/ experience;

ii) For all other categories:

- a) Ex-servicemen;
- b) Women entrepreneurs;
- c) Unemployed Engineering Graduates/ polytechnic/ ITI trained candidates/first generation/new entrepreneurs who display exceptional entrepreneurial ability/skills;

1.6 Overall guiding principles/ criterion:

Among other things, the Committees, while considering applications for various categories, shall take into account:

- i) The credentials of the applicant as an entrepreneur;
- ii) Educational qualifications or experience in the line to successfully execute and manage the proposed project;
- iii) Understanding or knowledge of the project;
- iv) Net worth of the promoter(s);
- v) Marketing details;
- vi) Working results of existing operations, if any;
- vii) Resource position;
- viii) Financial details and
- ix) Performance during the interview etc.

1.7. Process of Allotment:

- I. Applicants seeking allotment of Industrial Plots developed by the HUDA shall submit their applications in the form prescribed along with the following:
 - a) The application form duly filled-in;
 - b) Photograph of the applicant, managing partner in case of a partnership firm, and the authorized director in case of a company;
 - c) An amount equal to 10% of the tentative price of the plot along with applicable processing fee in the form of Bank Draft drawn in favour of Chief Administrator, HUDA payable at Panchkula as earnest money;
 - d) A copy of the Partnership Deed in the case of a Partnership Firm, Memorandum & Articles of Association in case of Pvt./ Public Limited Company along with a copy of certificate of incorporation of the company and details of the promoters and their shareholding in the company;
 - e) A copy of the Project Report with details of the Project, costing, net worth of the applicant(s), means of financing of the project, implementation schedule, basic details of plant & machinery, employment generation and profitability projections, etc.;
 - f) Land utilization plan to justify the requirement of land;
 - g) An undertaking to the effect that the applicant shall, as far as possible, employ 75% of unskilled work force and for other categories give preference to candidates from among the Haryana Domiciles in the proposed unit;
 - h) Any other information to be specified by the developing agency.
- II. The applications, complete in all respects, will be processed for consideration by the appropriate Committee;
- III. The HUDA will fix dates for interviews with the applicants and the intimation to that effect shall be sent to the applicants to appear before the Committee on the given days by way of registered post/ speed post/ courier services;
- IV. The Committee may decide to offer plots of smaller sizes to the applicants, if it is of the opinion that a smaller size plot would be sufficient for the establishment of the project, or depending upon availability of the sizes of plots;
- V. The recommendations made by the Allotment Committee, shall be got approved from the Chairman, HUDA. Thereafter 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 alongwith the schedule and terms of payment, by the respective Estate Officer, HUDA. The specific plot number to be offered

shall be determined by holding draw of lot except in the cases, wherein allotment of specific plot number has been approved.

- VI. Non-communication of any acceptance or rejection of the allotment within the prescribed time would be treated as non-acceptance of the allotment. Similarly, any conditional acceptance of the allotment would not be acceptable;
- VII. The earnest money, deposited with the application, will be refunded to the unsuccessful applicants within a period of 60 days of publication of the list of the successful applicants, without any interest. Similarly, the earnest money in case of applicants who turn down the offer of allotment will also be refunded to the applicants without any interest within a period of 60 days of the receipt of communication to that effect;
- VIII. The successful allottees shall also inform about the address at which the HUDA offices should send all communications to them. Non-communication of the Correspondence Address and the resultant non-availability of any communication by the allottee shall be squarely to the account of the allottee and will not be the responsibility of HUDA. Any change in Correspondence Address should be duly notified.

1.8 PAYMENT TERMS

- i) 10% alongwith application (earnest money)
- ii) 15% within a period of 30 days, from the date of issue of allotment letter. This period can be further extended as under provided the allottee send its acceptance to the offer of allotment within a period of 30 days alongwith his request for granting further extension ;

Sr.No.	Period of condonation	of Concerned Officer who can condone the delay	Rate of surcharge leviable on 15% amount.
1.	Upto 30 days	Estate Officer	5%
2.	Upto 60 days	Administrator	7.5%
3.	Upto 90 days	Chief Administrator	10%

Besides surcharge the allottee shall have to pay penal interest @ 14% p.a. (or as decided by Authority from time to time) on the 15% amount for the delayed period, to be reckoned from the date of allotment.

- i) Remaining 75% can be paid, either in lump sum within a period of 60 days
OR
In five equal half-yearly installments, along with 11% interest p.a.
- ii) The interest @ 11% p.a. on the balance outstanding amount shall however accrue from the date of offer of possession of plot.

Default in payment of installments shall entail penal interest @ 14%p.a. for the defaulted period on the defaulted amount.

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.

1.9 Processing Fee

a) For allotment of plot

The applicant shall be required to deposit application form along with the nonrefundable 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-2011, 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 service tax, if applicable.

2--Period Allowed for Completion of the Project and Commencement of Business

2.1 The allottee shall be required to implement the project on the industrial plot within a period of three 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 of the offer of possession:

- i) Taking over physical possession of the plot;
- ii) Submission/ Approval of building plans;
- iii) Closure of financial tie-ups (Promoter's capital and loans etc.);
- iv) Commencement of Construction at site;
- v) Technical and marketing tie-up.
- vi) Placement of orders of machinery and other capital goods.

2.2 No extension in period of completion beyond the initial period of three years counted from the date of offer of possession of plot by HUDA would be allowed in cases where the allottee has failed to submit building plans to

HUDA. In such cases, the plot would be liable to be resumed by HUDA and the payments deposited by the allottee towards the price of the plot (principal cost) would be refunded (without interest) by HUDA after deducting 10% of the price of the plot.

2.3 The period for implementation of the project can be extended by HUDA for a period of one year on payment of the prescribed extension fee subject to the allottee (i) having taken over physical possession of the plot, (ii) got the building plans approved from the competent authority and (iii) commenced construction activities on the plot within 3 years from the date of offer of possession.

2.4 Second extension of one year for completion of project i.e. after four years from the date of offer of possession of plot by HUDA may be granted on payment of prescribed extension fee in case the allottee has taken effective steps for implementation of project including construction of building, at least up to the DPC level within 4 years from the date of offer of possession.

2.5 Third extension of one year, permissible in case of plots of one acre and above only, for completion of project i.e. after five years from the date of offer of possession of plot by HUDA may be granted on payment of prescribed extension fee in case the allottee has completed construction of building as per approved building plans and applied for occupation certificate to the competent authority.

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

2.7 The allottee shall be required to pay the extension fee, wherever permissible, prescribed for that area and the payment shall be due with effect from the date the extension is applicable and for any delayed payment, surcharge @ 10% p.a. shall be charged on the amount due for the delayed period.

2.8 The allottee shall apply for the first, second or the third extension, as the case may be, in steps taken by the allottee alongwith Demand Draft for the applicable extension fee and submit the same to the concerned Estate Officer before the expiry of the stipulated period. The Estate Officer shall satisfy himself on the merits of the case and convey his decision with regard to extension within 30 days. In case no reply is received by the allottee within the prescribed time, the extension shall be deemed to have been granted by the

HUDA. In case no application/request is received from the allottee for extension within the prescribed time for implementation of the project, action will be taken by the HUDA for resumption of plot in terms of allotment.

2.9 Extension fee shall be charged at following rates:

Sr. No.	Category of Estate	Plots (in Rs. per sq. mtr.)		
		1st Year	2 nd Year	3 rd Year (applicable for plot sizes of one acre and above)
		75	150	250
1.	Category 'A'	75	150	250
2.	Category 'B'	40	80	150
3.	Category 'C'	15	30	50

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

2.10 Completion of Project

Normally, an industrial project is considered to be completed only after the allottee commences trial/ commercial production from the facility. However, it has been observed that this aspect needs further detailing keeping in view the current requirements. Accordingly, an industrial project would qualify the criteria for completion in the following cases:

- 1) The allottee has constructed the building as per norms fixed below as regards permissible covered area (PCA) and the unit has gone into commercial production within the specified period after installation of plant and machinery.

1.	Up to the size of one Acre	40% of the PCA
2.	Above one acre	25% of the PCA

Note:

For the purposes of clarity, one acre would mean 4050 sq. mtrs.

- 2) The allottee has completed the construction equivalent to 100% of the total permissible covered area and has not been able to commence the commercial production, for whatever reasons, but has obtained occupation certificate from the competent authority and has informed the concerned Estate Officer within fifteen days of obtaining such occupation certificate.

2.11 Project Implementation and commencement of business for the Plots allotted under on-going scheme - Guidelines regarding prestigious projects involving investment of Rs. 30/20/10 crore and other categories allotted plots under the ongoing scheme:

A separate standard of performance is expected in the case of plots allotted under the on-going schemes. While achievement of the benchmarked level of investment is permissible in a phased manner, Phase-I of the project is expected to be completed within the normal permissible period of three years from the date of offer of possession while the second phase could be completed within a total of six years' time. In these cases, the allottee shall:

- I. Be required to take possession of plot, submit building plans and start construction at site within two years of offer of possession of plot by HUDA .
- II. Implement the project within a period of three years of offer of possession of plot by HUDA after obtaining occupation certificate.
- III. Extension for implementation of project can be considered in these cases also as in the case of normal allotment with applicable extension fee.
- IV. As regards completion of investment level of the requisite amount in the project by the allottee, (as mentioned in the approved project report - minimum Rs. 30/20/10 crore, as the case may be), a further period of three years beyond the initial stipulated period of three years may be allowed to the allottee to achieve the projected level of investment without payment of fee, provided the first phase of the project has been implemented after obtaining occupation certificate and installation of plant and machinery. In case, the allottee fails to achieve the requisite amount of investment within six years, the fee/penalty will be payable in the following manner:

Sr. No.	Investment achieved	Fee/ Penalty (as % of the current allotment price)
i)	Above 50% but up to 75% of proposed investment	50%
ii)	Above 75% but less than the minimum investment of Rs. 30/ 20/ 10 crore, (as the case may be)	25%

- v) In case no investment is made in the project within the initial period of 3 years or the investment made is below 25% of the projected investment, the plot shall be liable to be resumed.

2.12 Project Completion Certificate

It will be obligatory on the part of the original allottee to obtain 'Project Completion Certificate' from the concerned Estate Officer 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 Officer (on the prescribed proforma alongwith all the relevant documents/information) within 15 days of completion of the project;
- ii) The Estate Officer 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 Officer 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 Officer 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.

2.13 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 in case of compoundable violations. However non-compoundable violations will necessary to be removed by allottee. 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 HUDA.

2.14. RESUMPTION/SURRENDER OF PLOTS

HUDA will be competent to resume plots in case an allottee defaults in complying with the terms & conditions of allotment/transfer/leasing etc., in accordance with the provisions laid down in HUDA Act, rules & regulations framed there under.

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.

In the event of the lease/allotment of site being cancelled/ resumed, the lessee/allottee shall remove the structures at his own expenses within such reasonable time, not exceeding three months, as may be prescribed by the Estate Officer, and restore possession of the site on the condition in which he took the same at the commencement of the allotment/lease. If the allottee/lessee fails to remove the structures within the period mentioned above, the Estate Officer HUDA shall be competent to remove the same and recover the expenses incurred in doing so from the allottee, whose lease/allotment has been cancelled.

OR

Re-auction/re-allot the site alongwith the structure after deducting the market value of the site, refund the balance to the lessee/allottee. The amount so refunded shall not be more than the assessed value of the structure of the building. The Estate Officer shall determine the prevailing market value and his decision shall be final & binding subject to right of appeal.

The Estate Officer may get the value of the structure(s) assessed from Engineering Deptt., HUDA. While assessing the cost of the structure(s) following elements shall not form part of assessed value.

- a) Fitting and fixtures of any kind.
- b) The construction raised over and above the approved standard plan/zoning/ building bye-laws.

The re-allotment/re-auction shall be made at the current reserve price. The amount of structures shall be refunded to ex-allottee/lessee only after the Estate Officer decides to auction/allot the resumed/cancelled site, and successful bidder/allottee/lessee accepts the allotment and deposits 25% of the cost/premium.

2.15. RESOTRATION OF RESUMED PLOTS

No restoration of resumed plots shall be allowed. However, an appeal against the resumption orders passed by EO, HUDA concerned shall lie before the Administrator, HUDA concerned (exercising the powers of Chief Administrator, HUDA U/s 17(5) of HUDA Act. An allottee aggrieved by the orders/decision of the Appellate Authority may file revision before the FCTCP.

2.16. FIXATION AND REVISION OF RATES OF PLOTS

The revised rates of plots shall be worked by the Standing Committee of HUDA and approved by the Chairman HUDA. The rates of the plots will be revised w.e.f. 1st April of the year and shall be valid for one year.

3---Leasing / Renting of Premises constructed on Industrial Plots/Sheds

3.1 Leasing of the premises constructed on industrial plots/sheds will be allowed for permissible industrial activities in order to ensure optimum utilization of the built-up industrial space subject to the condition that the allottee has completed the project as defined in para 2.10 of the EMP and has obtained 'Project Completion Certificate' as defined in para 2.12 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.

3.2 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 HUDA. It is clarified that the academic institutions which grant degree/diploma courses shall not be permissible.

3.3 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 Estate Officer 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.

3.4 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
Upto 125% & upto 150%	$\frac{\text{Leasing fee rate} \times \text{plot area} \times 150}{125}$
Above 150% & upto 175%	$\frac{\text{Leasing fee rate} \times \text{Plot area} \times 175}{125}$
Above 175% & upto 200%	$\frac{\text{Leasing fee rate} \times \text{Plot area} \times 200}{125}$
Above 200 & upto 250%	$\frac{\text{Leasing fee rate} \times \text{Plot area} \times 250}{125}$

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 5.14 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.

3.5 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.

3.6 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 alongwith the applicable leasing fee / the processing charges to the concerned Estate Officer, 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 Officer 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 HUDA alongwith the date of commencement of lease, particulars of the lessee, leased out area and the activity of the lessee alongwith the applicable fees / processing charges.
- iii) For every subsequent lease or change in lessee, the allottee will be required to inform the Estate Officer 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 alongwith 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.

3.7 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.
- 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, HUDA 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.
 - iii) 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, HUDA 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.
 - iv) Further, overall compliance of the terms and conditions of allotment of the plot will be the responsibility of the Allottee qua the HUDA and HUDA will not enter into any correspondence with the lessee on this account.

4---Transfer of Plots/ Sheds

- 4.1** Notwithstanding that the plots/sheds are allotted by HUDA on free-hold basis, the allotment/ management of the industrial estates are being regulated by HUDA with the sole objective of industrialization 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.

4.2 What constitutes a Transfer?

A plot/ shed allotted by the HUDA 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;
- 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.

4.3 Due diligence and warning to purchasers:

Transfer of an unutilized / 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 HUDA, 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 HUDA at the time of entering into any agreement. The information in this respect can be gathered from the Estate Offices of the HUDA. It would be advisable that such information is also sought in writing from the HUDA Estate Office. As a general rule,

transfer request through Power of Attorney shall not be accepted. However, Chief Administrator may accept such request in exceptional circumstances, for reasons to be recorded in writing.

4.4. 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 2.10 of the EMP- 2011, and obtained 'Project Completion Certificate' as defined under para 2.12;
- 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.

4.5 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 HUDA.
- 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 HUDA are paid in time;
- v) the transfer is effected with prior written permission of the HUDA.

No transfer fee would be charged by the HUDA in case of subsequent transfers, provided the first transfer has been made with the permission of HUDA. However, every subsequent transfer would entail payment of processing charges and execution of a Registered Sale Deed as per the law.

4.6 Transfer fees and Processing charges:

- i) Wherever transfer is permissible, save exempted categories as mentioned under para 4.7 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 HUDA (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 HUDA. 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 of non compliance of conditions of Transfer Permission within a period of 60 days, penalty equivalent to 25% of normal transfer fee as per EMP-2011 shall be charged for regularizing the delay beyond 60 days, in compliance of Transfer Permission conditions.

4.7 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 HUDA.
- v) Second or all subsequent transfers, with prior permission of HUDA.

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 HUDA is required in all cases of transfers. Dues of HUDA, 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.

4.8 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 HUDA, 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/ unutilized plot/ shed has been transferred without completion of the project, HUDA will take recourse to the resumption proceedings.
- ii) In cases where the allottee/ successor-in-interest comes before HUDA 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 HUDA 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 (ii) double the transfer fee, whichever is higher.
- iii) Wherever, the transfer is otherwise permissible without payment of any transfer fee, but the same has been effected without prior permission of HUDA, the same may be regularized on payment of the applicable transfer fee as mentioned under para 4.6(i), along with interest payable from the due date.

4.9 Procedure:

- i) An application for transfer can be made by the authorized person as detailed below:
 - o 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 authorization 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 authorized 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 Officer by submitting prescribed application form containing the relevant information/documents alongwith demand draft for the applicable processing fee;
 - iii) The Estate Officer 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 2.10 of EMP; (b) Completion certificate as per clause 2.12 of EMP; (c) clearance of all dues, and (d) execution of conveyance deed. In case of any default on any account, the Estate Officer 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 in principle transfer permission and there is no outstanding default, the Estate Officer 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 Officer 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 Officer 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 Officer shall issue Transfer Permission 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 Transfer Permission will be complied with by the transferor / transferee within a period of 60 days from the date of issue of the Transfer Permission;
- viii) Pursuant to the completion of formalities contained in Transfer Permission, the Estate Officer would facilitate the execution of conveyance/sale deed, issue the letter of re-allotment in favour of the transferee, whereupon the proposed transferee shall become an allottee/ re-allottee of HUDA.

5. Change in Constitution/ Shareholding

5.1 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 HUDA 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.

5.2 In case the change in constitution involves induction of a third party (other than family member as defined in clause 5.1) 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 4.6 (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 2.10. Prior written permission of HUDA 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.

5.3 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.

5.4 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 Chief Administrator, HUDA 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.

6- Change of Project

6.1 The allottee may be allowed change of project, other things being equal, by HUDA 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.

6.2 The transferee, on re-allotment, will also be required to submit his brief Project Report and require approval of the Project from the Estate Officer. Change of Project will also be permissible in the same manner as in the case of a first-time allottee.

6.3 Applicable processing fee shall be payable on each request. Prior written permission of HUDA shall be mandatory.

* The provisions of this Estate Management Procedure-2011 relating to transfer, leasing etc. shall also be applicable for industrial plots/sheds already allotted under the previous policies/procedures.