



Himachal Pradesh

ALLOTMENT OF LAND IN INDUSTRIAL AREAS :

Need based land in industrial areas/estates and in other areas where available (developed/ undeveloped) with the Department shall be allotted by the Department of Industries on leasehold basis for a period of 95 years for the establishment of industrial unit(s).

The premium for the allotment of land in industrial areas/estates and Government Land in other areas for setting up of industrial units will be fixed on a year-to-year basis and made effective from 1st of April every year. The rate of premium will be fixed by a committee of the Government consisting of Secretary Industries to the Government of H.P., Director of Industries & M.D., HPSIDC.

Government Land (developed/ undeveloped) available with the Department of Industries may also be allotted, for the development & setting up of public utilities such as shops, commercial complexes, recreational facilities etc on lease hold basis by inviting bids from the public, over and above the reserve price, to be fixed by the committee as constituted under Rule 6.2.

Government Land (developed/ undeveloped) available with the Department of Industries may be allotted for the development of social infrastructure like banks, post offices, educational institutions, medical institutions, captive housing facilities etc. on lease hold basis at the premium to be fixed by the committee as constituted under Rule 6.2.

Developed/ undeveloped Land for setting up of Industries and other activities as mentioned in Rule 6.1, 6.3 & 6.4 above subject to a maximum area of 10,000 sq. meters in industrial areas or wherever available with the Deptt. of Industries shall be allotted on lease hold basis by the Director of Industries or any other officer authorized by him. Developed/ undeveloped Land exceeding 10,000 sq. meters in industrial areas or wherever available with the Deptt. of Industries shall be allotted on lease hold basis with the prior approval of the Secretary (Industries) to the Government of Himachal Pradesh.

Developed/ undeveloped Land in industrial areas or wherever available with the Deptt. of Industries shall be allotted on lease hold basis by the Department of Industries, for a period of 95 years.

The application for allotment of developed/ undeveloped plot(s)/ land for industrial purposes/ social infrastructure/ public utilities shall be made to the concerned General Manager, District Industries Centre/Member Secretary, Single Window Agency on a prescribed form alongwith earnest money in the shape of a bank draft. The earnest money shall be equivalent to 10% of the premium of land, prevalent at the time of making the application, which shall be adjusted in the initial premium in the event of allotment of plot or refunded within two weeks in the event of non-allotment of plot/shed. Applications received without earnest money payable, will not be considered.

Developed/ undeveloped plot(s)/ land for industrial purposes/ social infrastructure/ public utilities

- a) Shall be allotted by the Director of Industries or any other officer authorized by him on the recommendation of a committee constituted for the purpose on first come first serve basis unless the committee for reasons to be recorded in writing decides otherwise. However, land may be allotted on out of turn basis to eligible categories for which such a provision has been specifically made under these Rules.
- b) In case of Govt. land/ plots, which are available for re-allotment consequent to their having being resumed after execution of final lease deed with the allottee, or surrendered by the allottees themselves, in industrial areas of Paonta Sahib, Kala Amb, Chambaghat, Baddi, Barotiwala, Mehatpur and Tahliwala, such Govt. land/ plots shall only be re-allotted through open auction/inviting bids from general public for allotment of such plots for industrial purpose only. In such cases the minimum reserve price will be fixed by a committee as constituted under Rule 6.2. In respect of such resumed plots, in other parts of the State, the same procedure for the allotment of plots will be followed as at (a) above.
- c) The Govt. land/ plots will be provisionally allotted for a period of two years and possession handed over to the applicant after entering into an agreement to lease. The allottee shall set up the unit within the stipulated period of 2 years from the date of provisional allotment. The Director of Industries may, however, if satisfied extend the period of the provisional allotment up to a maximum period of one year at a time on the merits of each case subject to the total period (including the stipulated period of 2 years) not exceeding 5 years from the date of provisional allotment. Such cases for grant of extension will only be considered if the premium due to the Department till the time of making the application for extension of the time period has been fully paid and there is no default in the payments due to the Department of Industries. Extension Fee equivalent to 5%,10% and 15% of the total premium assessed at the time of allotment of the plot will be charged for extension sought for the 1st, 2nd and third year respectively, which will not be refundable/adjustable in the premium of the plot.

- d) A regular lease deed will be entered into between the Department and the allottee after the fulfillment of the following conditions by the allottee:-
- a. Having submitted proof of obtaining all necessary approvals/registration of the different Departments/ Agencies of State Government and Central Government as applicable to the Project.
 - b. Having submitted the proof of obtaining the sanction of the loan for the approved project from the financial institution and present proof of the same. However in this case the lease deed after prior permission of Director of Industries or any officer authorised by him, may be hypothecated/mortgaged to the concerned financial institution.
 - c. In case the industrial unit is self-financed at least 50% of the estimated expenditure on building as per project report has been incurred and firm orders of at least 50% of the estimated plant and machinery as per project report has been placed.
- e) A regular lease deed would be entered into between the Department and the allottee at the rates prevalent at the time of allotment of the plot if the same is done within two years from the date of allotment of plot to the party. In case the regular lease deed is entered into between the Department and the allottee after the expiry of a period of two years from the date of allotment of Plot, in this event the signing of the regular lease deed will be done by the Department at the allotment rates prevailing at the time of entering into such regular lease deed.
- f) 30% of the premium of land (the earnest money deposited at the time of application will be adjusted against the amount so payable) shall be payable at the time of allotment and balance in 5 equal annual instalments. No interest will be charged on the balance instalments. However interest will be charged on delayed payment @12% P.A. or as may be fixed by the Government from time to time. However, if any party intends to make the entire payment in lump sum it may be accepted by commuting the instalments. In such cases the allottees will be allowed 5% discount for making lumpsum payments on the balance 70% premium but the terms and conditions of the allotment shall remain the same. Rebate equivalent to 5% of the balance premium due (balance premium due to be calculated as on the day the unit comes into commercial production) shall be

given if the industrial unit starts commercial production within two years of taking of possession of the industrial plot and shall be adjusted in the last installment due from the allottee provided there is no default in payment of the due installments.

In case an allottee fails to take effective steps for the setting up of the unit within the stipulated period of provisional allotment, the provisional allotment shall be cancelled and the possession of the plot/shed shall be resumed. The earnest money alongwith premium paid by the allottee shall be forfeited.

In case an allottee fails/refuses to take the possession of allotted plot on any ground and does not enter into agreement to lease within the stipulated period as mentioned in the allotment letter the provisional allotment shall be cancelled and the amount of Rs.5000/- or 50% of the earnest money, whichever is more will be deducted & forfeited.

In case an allottee surrenders the possession of the plot provisionally allotted to the Department within a period of two years, the agreement to lease will automatically cease between the allottee and the Department from the date the surrender has been made by the allottee and the provisional allotment would deem to have been cancelled by the Department from such date. In such cases 10% of the premium paid or Rs. 10000/-, whichever is higher will be deducted and the balance amount deposited by the party in lieu of the plot would be refunded.

However, in case an allottee is refused any extension by Director of Industries for setting up of his unit within the stipulated period or fails to take effective steps for the setting up of the unit within the stipulated period of provisional allotment or violates any terms and conditions of these rules or that of agreement to lease, or regular lease deed, the provisional registration/ registration granted by the department to the unit will automatically stand cancelled and the allotment of plot shall be cancelled and the earnest money alongwith premium paid by the allottee will also be forfeited. The possession shall be resumed by the Department after giving a notice to the party to vacate the plot and surrender the possession of the plot free of all encumbrances peacefully to the Department within a period of 2 months failing which the provisions of the H.P. Public Premises & Land (Eviction and Rent Recovery) Act, 1971 will be invoked to resume the plot.

Change in the constitution of the allottee firm/company before or after the execution of final lease deed shall be allowed in the following cases by charging a processing fee equivalent to 5% of the differential cost (i.e difference in cost of the premium of plot as at the time of allotment and the prevalent allotment rate) assessed at the time of transfer of such provisional allotment/ lease deed as the case may be or Rs. 10,000 , whichever is higher: -

- a) When the original allottee proprietary firm is converting in to partnership firm provided the original allottee continues to hold the majority (minimum 51 %) share in the newly constituted/registered partnership firm.
- b) When the original allottee partnership firm is introducing new partners or becoming a new partnership firm provided the original allottee partners of the firm continues to hold the majority (minimum 51 %) share amongst themselves in the newly constituted/registered firm.
- c) When the original allottee proprietary/partnership firm is becoming a Pvt. Ltd. company provided the original allottee proprietary /partners of firm continues to hold the majority (minimum 51 %) share/ paid up capital amongst themselves in the Company.
- d) When the original allottee Pvt. Ltd. company becomes a Public Ltd. company and as such is allowed by the Registrar of Companies) provided the original allottee promoters of the Pvt. Ltd. company continues to hold /subscribe shares/ paid up capital amongst themselves in the Company.
- e) When there is mere change in the name of Original allottee Pvt. Ltd./ Public Ltd Company without any change in the constitution as such, and as allowed by the Registrar of Companies.

In the event of the transfer of the lease hold rights of the plot after execution of regular lease deed to a new promoter/company/firm, for which permission from the Department has been obtained, as per the terms and conditions of the lease deed/ conditions imposed by the Department from time to time:-

- a) 50% of the unearned increase payable, (to be calculated on the basis of the rates prevalent at the time of effecting such transfers) shall be realized from the lessees/original allottees.
- b) In the event of the transfer of the plot to a new promoter/company/firm, on account of the unit being sold under section 29 of the State Financial Corporations (SFCs) Act, 1951 by Himachal Pradesh Finance Corporation Ltd. or Himachal Pradesh State Industrial Development Corporation Ltd. and the new promoter revives/continues with the same project/ as existed prior to take over by HPFC/HPSIDC or sets up a new project, instead of charging 50% unearned increase only a processing fee as indicated in para 6.13 above will be charged, as processing/administrative fees. This shall be subject to the satisfaction of the Director of Industries that sale etc. of the unit is being effected under section 29 of the State Financial Corporations (SFCs) Act, 1951.

Setting up of one or more separately identifiable units on the plot allotted to the lessee by the lessee himself would be allowed if the lessee in addition to running its

existing unit sets up another new unit(s) to manufacture new items (other than being already produced) under the same name and style/ constitution, without any corresponding change in lease deed after charging 5% of the differential cost (i.e. difference in cost of the premium of plot as at the time of allotment and the prevalent allotment rate) assessed at the time of transfer of such provisional allotment/ lease deed as the case may be or Rs. 10,000 , whichever is higher. However if the new unit is proposed to be set up by the lessee on the surplus plot area of plot allotted to the lessee, in the form of a new company/firm in which the lessee proprietary/ firm/ company/ society has majority share (minimum 51 %), 5% of the differential cost of land to be so used by such new unit (i.e. the difference between the premium charged at the time of entering into the lease deed by the original allottee and the premium existing on day of granting such permission to the original allottee), or Rs. 10000/-, whichever is more will be realized as an administrative/processing charge. In such cases while making an application the original allottee will give an legal undertaking (an affidavit) that the New Company which the original allottee has formed will abide by all the terms and conditions of the original lease deed signed by the original allottee and that the original allottee will undertake to bear the consequences and liabilities of actions of its New company in full.

Renting out of less than 50% of the built up area of plot (approved by the competent authority), i.e only such area which is surplus to his own requirement and the total built up area as is duly approved by the competent authority on the plot/ land allotted to the lessee, may be allowed on a case to case basis after one year of coming into production of the unit set up by the lessee, only under special circumstances by the Director of Industries or any such officer specifically authorized by him for setting up of more separately identifiable unit, after charging one time processing fee proportionate to the percentage of the built up area proposed to be rented out to the total built up area approved by the competent authority. The maximum ceiling for charging such processing fee will be Rs. 50,000/- for renting out maximum permissible 50% of total built up area. Such permissions will not be given for setting up of more than one unit in a given plot or area allotted to one party other than the existing unit of the lessee, which should be working and in operation for at least one year. Renting out permission will also not be accorded for setting up of Unit manufacturing identical products as already existing on the same premises. Permissions to rent out premises will not be given for a period exceeding 10 years. The permission each year will be revalidated by the Department of Industries after obtaining a no dues certificate to the effect that no amount is due to the Department of Industries. Such permissions will automatically stand withdrawn if the original allottee or the hirer closes down his unit for a period exceeding 12 months continuously. A no dues certificate from the financial institution which has financed the P&M, land and building of the original allottee will also be obtained before any such permission is granted by the Department.