Haryana & Uttarakhand

Broad Outline of Study

- Land Acquisition/ Alienation Process
- Planning & Development of Industrial Estates
- Land Allotment Processes
- Post Land Allotment Activities
- H.R. Policy

Land Acquisition & Alienation Process

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Land Procurement for MSME

Haryana

- Thrust on private land

- Planning department of HO for identification of land
- Field office also furnish supplementary information

- Requisition for Land acquisition by Planning department.
- Coordination with revenue authorities
- Transfer of land in the name of the Corporation without execution of deed

- Residential Area not acquired. Fencing of village, provision of BT road cost included in cost of industrial estate.

- Benefits to Land Losers in addition to the Compensation.
  - No Litigation incentive @20%
  - Annuity @Rs.21,000/- per annum per acre for 33 years with enhancement of Rs.750/- every year.
  - Developed Industrial plot up to 1/4th of the Acquired area is given as per the option

Uttarakand

- Thrust on Government land

- Identification through retired Revenue Officials

- Unused land of BHEL and J.B. Panth Agriculture University

Recommendations

- Haryana Model

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Land Procurement for Mega Industry

Haryana
• Government gives in-principle approval.
• Minimum 75% of land to be procured by the unit.
• Maximum 25% acquired by HSIIDC.

Uttarakand
• Land alienation only for MSME

Recommendations
• Haryana Model

Planning and Development of Industrial Estate

Planning and Development of I.E.

Haryana	Uttarakand
• Planning by Planning Deptt in HO.	• Planning by outsourcing. Proper zoning while planning
• Zoning and plotting inside the industrial estate like industrial, commercial, institutional etc.	• 60% for industries. Balance 40% for Road, Infrastructure, Housing, Commercial, Social Services and green belt
• Allotment by Estate as per planning	
• Any change of plan permissible with approval from MD.	• Allotments strictly adhering to the approved layout plans

Recommendations

- We may insist on allotment based on our planned plots.
- We may make provision for Housing and Commercial Infrastructure in industrial estates

Pricing of Plots in I.E.

Haryana	Uttarakand
• Base price = (Total land cost + infrastructure cost + other expenses) / Total salable land • Land prices are revised every year. • Revised rate includes holding cost and interest component • Prices for institutional/ commercial plots are determined by auction.	• Base rate for industrial on initial auction price. • Additional 10% in case of institutional and residential use and 25% in case of commercial use is charged over the prices for industrial land.

Recommendations

- We may determine the cost of industrial plots by Cost-plus method and other type plots by auction method.
- We may revise the land prices every year by adding holding cost and interest on investment

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Categorization of I.E.

Haryana

- Category C → Primary level infrastructure = Motorable roads + water supply system + Electrical power distribution network + Sewerage system + Drainage system
- Category B → Category C + STP + CETP + Security + Police post + Shopping facilities + Parking + Solid waste management + Green belt
- Category A → Category B + Telecom services + Banking & Postal Services + R&D centre + Conference, Exhibition & Display facilities + Cargo & Logistic centers + custom bonded warehouses + industrial housing, Dispensary & Hospitals + Schools

Uttarakand	Recommendations
• Infrastructure and facilities as per the decision of the management	• We may classify our industrial estates based on level of infrastructure.

Land Allotment Processes

Land Allotment for MSME

Haryana

- After the preliminary level infrastructures, Engineering Department hands over the Estate with a certification of completion of basic minimum amenities to the Estate Management Department in Field Office.
- Publication of advertisements in news papers
- Application for the land
- They also provide term loans.
- Prestigious Project Proposals are considered on priority basis.
- Normal project proposals are considered only when advertisements are published
- Committee headed by the Secretary of Industries Department approves the land allotment for prestigious projects
- Committee headed by MD approves the land allotment for normal projects

Uttarakand

- After infrastructure development - news paper advertisements
- Application receipt and appraisal by branch offices.
- Decision for land allotment by LAC headed by the Chief Minister

Post Allotment Processes

Post Allotment Processes

Activity	Haryana	Uttarakand	Recommen dation
Time Limit to Deposit Cost of Land	• 10% of land cost along with application • 15% of land cost within 30 days after filing application • Balance 75% of land cost in eight equal half yearly installments bearing interest @11% per annum and in case of default, penal interest @3% per annum over and above the interest.	• EMD of Rs.1.00 Lakh, is submitted along with Application form. • 50% of the Land Cost paid within 1 month of Allotment • Balance 50% in 4 equal half yearly instalments.	
Period of project completion	• Initially for 3 years and extendible 3 times for one year each on receipt of application from the allottee citing the reasons for delay and showing justifiable progress.	• Initially for 2 years and extendible for another year on receipt of application from the allottee citing the reasons for delay	

Post Allotment Processes

Activity	Haryana	Uttarakand	Recommendation
Surrender & Resumption of plots	• Surrender of plots is allowed with 100% refund of principal within 1st year; 95% refund within 2nd year and 90% refund afterwards. • Resumption of plot is done against non-completion of project, non-payment of Corporation dues, unauthorized transfer, violation of FAR norms etc. • In case of resumption, 90% of the principal value of land cost is refunded with a permission to remove the structure and machinery within 3 months. • Cost of building is assessed by a Chartered Engineer and the ascertained value is paid to the allottee. This value is added to the land cost in subsequent allotments.	• Surrender of plots is allowed at any time with refund of principal land cost but forfeiture of EMD (Rs.1.00 lakh). • Resumption of plots is carried out in case the allottee fails to establish the unit within reasonable time as specified in allotment letter. The process involves issue of notice and all as done in IDCO • In case of resumption also, principal land cost is refunded and the EMD forfeited.	

Post Allotment Processes

Activity	Haryana	Uttarakand	Recommendation
Restoration of allotted property	• Restoration of resumed property is allowed in case the unit commits and shows appreciable progress in completion of works or rectifies the breach of terms and conditions subject to payment of differential prices as per new land prices.	• Restoration of resumed property is allowed in case the unit commits and shows appreciable progress in completion of works or rectifies the breach of terms and conditions.	Restoration may be allowed subject to payment of differential prices as per new land prices
Building Plan approval	• Building plan approval in house by the field offices checking the allowable offsets from all sides, total permissible built up area, permissible height etc.	• Building plan approval in house by the field offices	We may recommend to amend the act to allow approval of building plans in IE by IDCO

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Post Allotment Processes

Activity	Haryana	Uttarakand	Recommendation
Lease, sub-lease and Rent guidelines	• Permitted to the extent of 100% subject to the sub-lease portion is used for industrial activity (or land use is not altered as per original allotment)	• Not permitted	
Change of constitution / shareholding / activity / project / name & style	• Change is allowed. • Application in prescribed format along with processing fees to be submitted to field office.	• Change is allowed. • Application in prescribed format along with processing fees to be submitted to field office.	
Transfer of plots / sheds	• Mutual transfer of plots is allowed by HO as long as the land use is not changed i.e. industrial/ commercial/ residential	• Mutual transfer of plots is not encouraged.	

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Post Allotment Processes

Activity	Haryana	Uttarakand	Recommendation
Bifurcation / Fragmentation of plot	• Bifurcation / fragmentation of plots is not allowed during allotment. But plots bigger than Ac.2.00 may be bifurcated or fragmented during transfer subject to fulfillment of certain conditions.	• Bifurcation / fragmentation of plots is neither allowed during allotment nor during transfer.	
Issues relating to encroach-ments	• Encroachments are not regularized but dealt with strong hand. • Evictions are carried out as soon as any encroachment is reported.	• Encroachments are not regularized but dealt with strong hand. • Evictions are carried out as soon as any encroachment is reported.	

Post Allotment Processes

Activity	Haryana	Uttarakand	Recommendation
Collection of IMC and Statutory Dues	• Statutory dues (IMC only) are fixed on rate per sqm basis and vary from year to year. • It is determined by dividing the total saleable area of an IE with the actual expenditure on infrastructure maintenance made last year for the particular IE. • These rates are calculated by field offices and approved by HO. • After approval, demand notices are sent to each unit intimating the present demand and earlier outstanding, if any.	• Since almost all units are less than 10 years old, there is no need for collection of statutory dues. No formal process developed till date.	• In stead of prefixed Area basis, IMC should be charged as per Actual Expenditure

Post Allotment Processes

Activity	Haryana	Uttarakand	Recommendati on
Collection of IMC and Statutory Dues	• When an unit pays the demand within 30 days from date of issue of notice, no interest is claimed on the present demand • The interest rate for the outstanding as well as the present demand, if not paid within 30 days, is mentioned in the notice. • In case of default, no clearances are issued to the unit.		
Issue of Mortgage right	• Mortgage right permission and NOC issued by field office to enable units to borrow their financial needs	• Mortgage right permission and NOC issued by field office to enable units to borrow their financial needs	Mortgage-able right should be allowed and same should be incorporated in the regulation

H.R. Policy

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H. R. Policy

Haryana
• Well Defined Cadre Strength
• Recruitment through HSPSC & HSSSC
• Group D through Service Provider
• Techno-Commercial Background for Executives
• Business Developer Post
• Proper Promotion Policy for the Employees
• Power to Relax only with the Board

H. R. Policy

Uttarakhand
• Small Cadre Size
• Still into Right Sizing of Cadre Strength
• No Relatives of Directors Eligible for Post Carrying Total Pay Rs.6,000/- pm
• 50% Recruitment by Direct Employment
• Eligible Corporation Employees can Compete in Direct Recruitment
• SIDCUL is in Process of Preparing a New HR Policy

Summary

- **SIDCUL and HSIIDC are organizations constituted under Companies Act whereas IDCO is a statutory organization established under OIIDC Act, 1980**
- The Basic difference is that Uttarakhand establishes industrial estates/ areas on Govt land only. In case of private land, they purchase it by negotiation and if failed, acquire it under L.A. Act, 1894.
- Haryana establishes industrial estates/ area on private land only. IDCO in Odisha establishes industrial estates/ areas in Govt/ private land.
- IDCO execute lease deed with the Govt. SIDCUL and HSIIDC do not execute lease deed in case of private land.
- SIDCUL and HSIIDC publish advertisements for allotment of plots whereas it is not followed in IDCO
- There is no encroachment in both the states of Uttarakhand and Haryana. In case of encroachment, it is dealt with strictly for eviction. In our case, it is being rampant and dealt by OPP Act for eviction.

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Summary

- **Their procedure in allotment and post allotment may be adopted in our case.**
- The land acquisition benefit provided to the land losers in Haryana is better than our state and such benefit may be provided in our RR policy.
- Regarding mortgage, we may incorporate it in our draft land regulation to accord permission for creation of mortgage in favour of allottee.
- In case of surrender, we will follow the procedure as adopted by Haryana
- In case of resumption, we will follow our procedure enshrined under OPP (EUO) Act
- Presently the OIIDC Act puts a ceiling of 50 Crores for lending by IDCO with the approval of State legislature. It is to be done away with. Steps may be taken for the amendment of the provision and IDCO may be allowed to borrow 3 times of its net worth.