

RULES GOVERNING ALLOTMENT OF INDUSTRIAL PLOTS IN INDUSTRIAL ESTATE, DAVNI.

1. The allotment of industrial plots in Industrial Estate Davni, Tehsil Baddi, District Solan, Himachal Pradesh, shall be governed by these rules. The industrial plots shall be on “LEASE HOLD BASIS” for a period of 95 years.
2. The allottee through a Director of the Company/Partner in the firm is required to get the lease deed executed within the stipulated period. The possession of the plot shall be handed-over to the representative of the company/firm at site giving exact dimensions and area of plot.
3. The LESSEE is required to pay the additional cost of the plots without any interest in case the area of the plot is in excess of the area mentioned in above. In the event of the LESSEE getting lesser area while taking possession of plot, the LESSOR Corporation will refund the excess amount received from the LESSEE forthwith without any interest.
4. The LESSEE shall fulfill the following requirements within two years from the date of allotment:
 - a) Submit to the LESSOR Corporation, the building plans of the proposed industrial unit conforming to the building bye-laws of HPSIDC Limited as annexed to this Lease Deed along with requisite fee.
 - b) Erect/ construct the industrial building as per building plans in substantial and workman like manner.
 - c) Shall not sub-divide or amalgamate the plot (in case two or more plots have been allotted) without prior specific written approval of the LESSOR Corporation and on payment of such fees as may be fixed by the Managing Director from time to time in this regard.
 - d) The LESSEE is not allowed to cut/damage/destroy trees standing in the said plot without specific written approval of the LESSOR Corporation.
 - e) The allottee shall not change the land use of the plot from industrial purpose to any other purpose.
 - f) The LESSEE shall meet the requirement of power for lighting, heating and other general purposes by installing solar energy panels on the building. This will conserve direct energy i.e. electric power as well as shall keep the environment clean and healthy. As per provisions contained in the building- laws, benefit in the shape of rebate, may be given to the LESSEE using solar energy under the annual maintenance charges.

5. The LESSEE shall construct the industrial building strictly conforming to plans submitted to the LESSOR Corporation, complete the erection and installation of machinery and commence production thereof within a period of two years from the date of allotment and submit supporting documents including PMT/UAM from the concerned authority. Allottee/ transferee shall also be required to submit NOC/ Fire Safety Certificate from the Deptt. of Fire Services, Himachal Pradesh. Failure to discharge this obligation by the LESSEE shall make the plot liable for resumption by the LESSOR Corporation without payment of any compensation except refund of the cost of plot as provided in this deed.
6. In case of failure to complete the building and commence production within the stipulated period due to reasons and circumstances beyond the control of the LESSEE, the LESSOR may grant extension in time on written request being made for such extension(s) giving detailed reasons on payment of the following charges:-
- a) 5% of the cost of plot for first year extension after the expiry of normal time of two years.
 - b) 10% cost of the plot for second year extension from the expiry of first year extension time.
 - c) No further extension shall be granted beyond two years in any circumstances and the plot shall stand resumed.
7. The LESSEE shall pay lease money @ Rs. 1/- per sq. mtr. of the plot per annum for the first 30 years of lease period @ Rs. 5/- per sq. mtr. of the plot Per annum for the next 30 years of lease period and @ Rs. 10/- per sq. mtr. of the plot Per annum for the remaining period of 35 years. The lease money shall become due on the first anniversary to the date of issue of allotment and be payable by the 10th day of the following month.

7.1 The LESSEE after taking possession of the plot and submitting the building plans may apply for water/sewerage connections by paying the necessary one-time connection charges as under: -

For water connection	 Rs. 3,500/-
For sewerage connection	Rs. 5,000/-

The water bills shall be raised on bi-monthly basis at such water charges as fixed by the LESSOR Corporation from time to time. Presently the bills shall be raised @ Rs. 15/- per 1000 litres and Govt. water cess as applicable from time to time.

7.2 The LESSEE shall pay on demand the annual maintenance charges of the industrial area as fixed from time to time by the LESSOR Corporation. The present charges of annual maintenance are Rs. 15/- per sq. mtr. per year. The Annual Maintenance Charges bills will be raised by the LESSOR Corporation from Ist. To 15th of April every year which shall be payable by the Lessee by 31st May of the same year without any interest or penal charges thereon.

In the event of failure of the LESSEE to pay the said charges to the LESSOR Corporation by due date, the LESSEE shall be liable for penal charges @ 1% per month on the outstanding Annual Maintenance Charges.

7.3 In case the payment of outstanding AMC bills along with penalty is not paid by 30th September of that year, the water and sewerage connections will be disconnected in first week of October. However, the LESSEE shall be allowed a grace period of three months upto 31st December of that year to apply for re-connection for water and sewerage connection by paying the outstanding dues of Annual Maintenance Charges along with penalties and re-connection charges for water connection and sewerage re-connection shall be at the rate of double the amount of original connection charges in both cases as provided in clause 5.2. On failure to abide by the payment schedule, the LESSOR Corporation will initiate action to resume the plot along with any structures thereon without paying any compensation thereof except the refund of cost of plot as mentioned in these rules.

7.4 The LESSEE shall pay within such time such additional sum or sums towards premium as may be decided upon by the LESSOR on account of the compensation awarded by the Land Acquisition Collector being enhanced on reference or in appeal or both and the decision of the LESSOR in this behalf shall be final and binding on the LESSEE.

8. The LESSEE shall be liable to pay to the appropriate authority all general and local taxes, rates or cesses or charges or proposed to be levied in future on the said plot by the Competent Authority/ LESSOR Corporation/ Local Body.
9. The LESSEE shall not be allowed the digging of road for water/sewerage connections since water and sewerage crossings have been provided up to all the plot. In case any LESSEE damages the road or any part of LESSOR Corporation's property, he shall be liable to pay damages immediately on demand for the damaged portion. In case the LESSEE has to dig the road due to any reason whatsoever, he will seek prior written approval of the LESSOR Corporation for the same. The LESSEE shall be liable to pay damages @ Rs. 1500/- per sq. mtr. of damaged portion in case prior permission to dig the same has not been obtained. The payment of damages charges is to be made within 30 days from raising the demand by the LESSOR Corporation failing which action to disconnect water & sewerage connection shall be taken.
10. The LESSEE will have to take water for human consumption and general purposes from the LESSOR Corporation on payment in accordance with the rates fixed by it from time to time. For consumption of water for industrial purposes, the LESSEE will have to take prior permission of the LESSOR Corporation and in case of LESSOR Corporation's inability to meet with the requirement, the LESSEE will have to make its own arrangements for water for industrial use.
 - a) The LESSEE shall obtain permission from the Himachal Pradesh Ground Water Authority, Shimla under the Himachal Pradesh Ground Water (Regulation & Control of Development and Management) Act, 2005 before digging any tube-well in the plot.
 - b) The LESSEE shall not throw any garbage/malba/industrial waste of any kind on the road/ public area of the Industrial Area/Estate but shall carry the same to the dumping site approved by Baddi-Barotiwala-Nalagarh Development Authority, Baddi failing which penalty @ Rs. 500/- per instances shall be levied for the first default. This penalty shall be equivalent to double the amount for every subsequent default for throwing garbage on the roads/public areas of the Industrial Estate. These charges will be payable by the LESSEE within 15 days of raising the demand failing which the LESSOR Corporation will take steps for disconnection of water & sewerage connection in the first instance. In case, the penalty remains unpaid even after a lapse of 45 days from the date of disconnection of water & sewerage supply, steps will be initiated for cancellation of allotment and resumption of plot to the LESSOR Corporation.

All mines and minerals whatsoever under the said site shall vest in the Government with all rights and powers as may be necessary or expedient for the purpose of searching for working, obtaining, removing and enjoying the same at all such times and in such manner as the Government shall think fit with power to carryout any surface or any underground working and let down the surface of all or any part of the said site and to sink pits, erect building, construct lines and use the surface of the said site for the purpose of doing all such things as may be convenient/necessary for the full enjoyment on the exceptions and reservations herein after contained.

11. The LESSEE will ensure that the proposed Industrial Project/Unit does not create or cause to create any kind of pollution whatsoever. All measures required to be taken for disposal/ treating industrial waste/effluents of all kinds shall be undertaken by the LESSEE at his own cost in consultation and with the approval of the concerned competent state regulatory authorities as applicable from time to time. In case of failure of LESSEE to take all such measures, the plot along with building constructed thereon shall be liable to be resumed by the LESSOR Corporation.
12. The LESSEE shall further arrange the plantation of ornamental/flowery trees within his premises and in the front area commanded by the plot allotted to him as per layout to improve overall environment.
13. The LESSEE shall maintain thereon a good and substantial building, equipped with necessary machinery for the industry and such other staff as may be deemed necessary for the functioning of industrial unit.
14. The LESSOR shall also have the right to call for periodical progress reports every six months from the LESSEE starting from one year after the date of delivery of possession about implementation of the project and if after hearing from the LESSEE, the competent authority (Managing Director of the LESSOR Corporation) is of the opinion that the progress is not satisfactory, the resumption of the plot may be ordered.
15. No forfeiture or re-entry shall be affected until the LESSOR has served on the LESSEE a notice in writing specifying the particular breach complained of and if the breach is capable of remedy acquiring the LESSEE to remedy breach and the LESSEE fails within such reasonable time as may be mentioned in the notice to remedy the breach if it is capable of remedy, and in the event of

forfeiture or re-entry the LESSOR may, in his discretion relieve against forfeiture on such terms and conditions as it thinks proper.

16. The Officers and servants of the LESSOR Corporation may at all reasonable time and manner after notice in writing enter in and upon any part of the said site of building erected thereon for the purpose of ascertaining that the LESSEE has duly performed all obligations as contained in these rules.
17. The LESSOR Corporation shall have the right, power and authority at all times to do, through its Officers and servants for the purpose of enforcing compliance with all or any of the terms and conditions and to recover from the LESSEE as first charge, all cost incurred in connection therewith or in any way relating thereto.
18. That where the LESSEE is a Public Limited Private Limited company, they are required to submit a copy of the annual return filed before the Register of Companies every year to the LESSOR Corporation. In addition, they are required to submit the share-holding pattern, duly certified by the Chartered Accountant, specifically indicating therein the number of shares held by each promoter- director/directors of the company along with issued, subscribed and paid up capital.
19. That where the LESSEE is a firm or sole-proprietorship concern, they are required to submit the names of partners/sole proprietor to the LESSOR Corporation on annual basis. The partnership concerns are required to submit a copy of partnership deed to the LESSOR Corporation on annual basis.
20. In case the LESSEE surrenders or seeks cancellation of plot allotment or the LESSOR Corporation cancels the allotment due to non-fulfillment of conditions at any stage after the LESSEE has executed the required documents and paid the full cost of the plot, he shall be entitled to a refund of 75% of principal amount paid by him. In case the allotment is cancelled before the possession of allotted plot has been taken, even then the dues of annual maintenance and others outstanding charges shall also be deducted out of the refundable amount. Thus the LESSEE shall be refunded the amount after deducting interest, if payable, on account of any default, annual maintenance charges along with penal charges, unpaid water charges or any other charges which remain unpaid by the LESSEE in addition to 25% deducted on account of administrative charges.

21. The LESSEE shall not sell, transfer, assign or otherwise part with the possession of the whole or any part of the industrial plot by transfer of shares to other than original promoters declared at the time of allotment except with the prior permission in writing of the LESSOR.

However, in the event of such approval being given, the LESSOR Corporation shall be entitled to claim and recover 50% unearned increase or 10% of the original cost of plot whichever is higher (i.e. difference between the final price paid and the market value) of the industrial plot at the time of sale, transfer, assignment or parting with the possession. The decision of the LESSOR Corporation in respect of market value shall be final and binding.

22. The LESSEE may with the prior written approval from the LESSEE Corporation and on payment of such fees as may be fixed by the Managing Director from time to time, mortgage his rights in the industrial plot to such financial institution/ bank from which he is seeking financial assistance/working capital requirements.

Provided that in the event of the sale or fore-closure of the mortgage or charged property, the LESSOR Corporation shall be entitled to claim and recover 50% unearned increase or 10% of the original cost of plot whichever is higher as aforesaid at the time of sale/transfer and the amount of the LESSOR Corporation's share of the said unearned increase shall be first charge having priority over the said mortgage or charge. Before selling/transfer of assets of the LESSEE, Mortgage shall have to take consent from the Corporation and shall also inform the LESSOR Corporation about the intending purchaser if the sale is to take place by mutual negotiations and about the date of auction if the sale of the mortgaged property is to take place by open auction.

Provided further that the LESSOR shall have the pre-emptive right to purchase the mortgaged or charged property after deducting the amount of unearned increase as aforesaid.

23. In the event of death of the LESSEE, the person to whom the title of the deceased devolves, shall within three months of such devolution inform/apply to the LESSOR Corporation for transfer of plot by producing a valid Succession Certificate/Legal Heir Certificate or will to the LESSOR Corporation without charging any transfer charges.

24. The LESSEE shall comply with Bye-Laws for construction of building in industrial areas as given in the enclosed Annexure which forms part of this lease deed.

25. The LESSEE shall not establish the industry, which falls under negative list of industries as notified by the Government of Himachal Pradesh or Central Government from time to time. The LESSEE shall not without the written consent of the LESSOR use or permit to be used, the industrial plot or any building thereon for residence or for carrying on any trade or business whatsoever or use the same or permit the same to be used for any purpose other than that of carrying on the manufacturing process or running the industry as may be approved from time to time by the LESSOR or such other Statutory Authority established by the Government of Himachal Pradesh or Central Government.

Provided that if the LESSEE is desirous of using the said industrial plot or the building thereon for a purpose other than that of the manufacturing process or industry as may be approved from time to time, the LESSOR may allow such change of use on such terms and conditions, including payment of additional premium as the LESSOR may in his absolute discretion determine.

26. The LESSEE undertakes further to comply with the terms and conditions contained hereinabove. In case of breach of any of the terms and conditions of this deed or this lease has been obtained by suppression of any fact, mis-statement, mis-representation or fraud, the LESSOR shall have the right to exercise its right of resumption of industrial plot/unit without payment of any compensation.

27. All notices, orders, directions, consents or approvals to be given under this lease shall be in writing and shall be signed by such Officer as may be authorized by the Managing Director, HPSIDC Limited and shall be considered as duly served upon the LESSOR or any person claiming any right to the plot if the same shall have been affixed to any building or erection whether temporary or otherwise upon the plot or shall have been delivered at or sent by registered post/fax to the then residents office or place or businesses or usual or last known address, office or place businesses of the LESSEE or such person.

28. All powers exercisable by the LESSEE under this lease may be exercised by the Managing Director, HPSIDC Limited. The LESSOR may also authorize any other Officer to exercise all or any of the power exercisable by him under this lease.

29. The expression 'THE LESSOR' and 'THE LESSEE' here-in-before used shall where the context so admits, include in the case of LESSOR his successors and assigns and in the case of the LESSEE his heirs, successors, executors, administrators or legal representatives and the person or persons in whom the lease hold interest hereby created shall for the time being be vested by assignment or otherwise.
30. That the LESSEE may at the expiration of term of the lease obtain a renewal of the lease for a further period of 95 years at LESSOR's option and on such terms and conditions and payment of such additional premium or sum as may be determined by the LESSOR. The LESSEE shall on the determination of this lease peacefully yield the said plot and the building thereon unto the LESSOR, if not renewed by the LESSOR.
31. That any sum of money due to or claimable by the LESSOR in respect of the plot hereby demised shall be recoverable by the LESSOR as arrears of land revenue.
32. All expenses and registration charges regarding this lease deed shall be borne by the LESSEE.
33. Any dispute or differences arising out or in any manner touching or concerning the lease deed shall be referred to the sole arbitration of the nominee of Managing Director of the LESSOR Corporation. The award of such Arbitrator shall be final and binding on the LESSOR Corporation and the LESSEE. Such an arbitration shall be governed by the provisions of Arbitration and Conciliation Act, 1996 or any enactment replacing the said act.
34. All disputes arising between the parties shall be subject to jurisdiction of Courts at Shimla (Himachal Pradesh) only.