

PERIOD ALLOWED FOR COMPLETION OF THE PROJECT

Chapter 5

Period Allowed for Completion of the Project

5.1 The allottee shall be required to complete the project on the industrial plot within a period of three years from the date of offer of possession of the plot or actual possession of the plot, whichever is earlier. However, the allottee should, as far as possible, take following steps within a period of three years of the offer of possession or actual possession, whichever is earlier:

- i) Taking over physical possession of the plot;
- ii) Approval of the building plans from the Registered Architect under self-certification scheme.
- 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.

5.2 No extension in period of completion of the project beyond the initial period of three years counted from the date of offer of physical possession of plot by HSIIDC or taken over the physical possession of the plot, whichever is earlier, would be allowed in cases where the allottee has failed to submit copy of building plans duly approved by the Registered Architect under self-certification scheme, after taking physical possession of the plot. In such cases, the plot would be liable to be resumed by the HSIIDC and the payment deposited by the allottee towards the price of the plot including interest and penal interest, if any, deposited by the allottee on instalments, would be refunded, without any interest by the Corporation, after deducting 10% of the price of the plot. In addition to the above, maintenance, water/sewer charges, in default, if any, shall also be deducted from the refundable amount.

5.3 The period for completion of the project can be extended by HSIIDC 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 and (ii) got the building plans approved from the registered Architect under self-certification scheme and submitted a copy of the same to the Corporation, before expiry of initial three years period.

5.4 **Second extension** of one year for completion of project i.e. after four years from the date of offer of physical possession of plot by HSIIDC or actual possession

of the plot, whichever is earlier may be granted on payment of prescribed extension fee in case the allottee has constructed the building up to the plinth level;

5.5 Third extension of one year for completion of project i.e. after five years from the date of offer of physical possession of plot by HSIIDC or actual possession of the plot, whichever is earlier, may be granted on payment of prescribed extension fee in case the construction of building is at an advanced stage of completion i.e. at least structure of the building with roof having covered area of 50% or more of the minimum construction coverage norms has been achieved.

5.6 In case of sheds/flatted factories, the allottee shall be required to complete the project within two years from the date of offer of physical possession of shed/flatted factory by HSIIDC. The period for completion of the project may be extended by HSIIDC for a further period of three years on year to year basis, on payment of the prescribed extension fee.

5.7 The allottee shall be required to pay the extension fee, wherever permissible, at the rate(s) prescribed for that area and the payment shall be due with effect from the date the extension is applicable and for any delayed payment, interest @ 12% p.a. shall be charged on the amount due for the delayed period.

5.8 The allottee shall apply for the first, second or the third extension, as the case may be, in the prescribed format, indicating the various steps taken by the allottee towards implementation of the project along with payment of applicable extension fee. The Estate Manager 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 HSIIDC. However, extension beyond the permissible six years period shall be considered by HSIIDC at its sole discretion considering merits of each case and the decision in this regard shall be conveyed to the allottee accordingly.

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

5.9 Extension fee shall be charged at following rates:

Sr. No.	Category of Estate	Plots (in Rs. per sq. mtr.)		
		1 st Year	2 nd Year	3 rd Year
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.

5.10 Completion of Project (General/NRI/FDI/Persons with Disability Category):

1. An industrial project would qualify the criteria for completion in the following manner:

1. **a. Construction norms:**

The allottees of industrial plots shall be eligible to construct building with Permissible Covered Area (PCA) of maximum 125% FAR (general industry). Higher

FAR for general industry shall be made applicable, as per the norms of the Department of Town & Country Planning, Haryana, as and when notified.

For the purpose of completion of the project, the allottee shall be required to construct the building having minimum construction coverage as under:

i. Up to the size of one acre (4050 sq. mtr.)	30% of the :PCA
ii. Above one acre up to five acres	25% of the :PCA
iii. Above five acres up to ten acres	20% of the :PCA
iv. Above ten acres	15% of the :PCA

1. **b. Installation of Plant & Machinery and implementation:**

The unit has gone into commercial production after installation of plant and machinery to the extent of at least 40% of value as stated in the project report within the specified period.

1. **ii. Part Completion:**

In case, an allottee intends to implement the project partially after constructing building with covered area less than the prescribed minimum construction coverage norms, in such a case, the allottee shall be required to obtain part Occupation Certificate from the Competent Authority, at least to the extent of 50% of the minimum construction coverage norms and start commercial production by installing plant and machinery to the extent of at least 20% of the value as stated in the project report. In such circumstances, no extension fee shall be required to be paid by the allottee till sixth year from the date of offer of possession or actual possession of the plot, whichever is earlier, for completion of the project i.e. achieving construction to the extent of minimum construction coverage norms and raising requisite investment in plant and machinery. In case the allottee fails to complete the project within six years, he shall be liable to pay extension fee at

double the normal fee applicable for third (6th year) extension, for each year of delay or part thereof.

1. **iii. Deemed project completion:**

The allottee has completed the construction equivalent to 95% 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, the project shall be deemed completed from the date of obtaining such occupation certificate.

5.11 Project Implementation and project completion for the Plots allotted under on-going scheme - Guidelines regarding prestigious projects involving investment of Rs.50/40/30 Crore (earlier Rs. 30/20/10 crore) and Mega Projects:

1. A separate standard of performance is expected in the case of plots allotted under the prestigious/mega category. Such projects shall be monitored in two parts i.e.

(a) completion of the project and (b) part completion of the project, as under:

1. **a. Completion of project:**

The project shall be considered as complete after the allottee has started commercial production, after obtaining occupation certificate as per minimum construction coverage norms as mentioned in clause 5.10(i)(a) and has made fixed capital investment in the project to the extent of at least 75% of the projected fixed capital investment, subject to minimum benchmark investment of Rs. 50/40/30 crore (earlier Rs. 30/20/10 crore).

1. b. **Part completion of project:**

The project shall be considered as partly completed provided the allottee has started commercial production, after obtaining occupation certificate/part occupation certificate with construction coverage at least to the extent of 50% of the minimum construction coverage norms and after installation of plant and

machinery as stated in the project report for 1st phase of the project or to the extent of at least 30% of total plant & machinery for the project as a whole, as

stated in the project report, whichever is lower.

1. ii. **Period allowed for completion of project:**

The allottee shall be required to complete the project on the industrial plot within a period of three years from the date of offer of possession or actual possession of the plot, whichever is earlier. Extension for completion of project can be considered in these cases also as in the case of general allotment with applicable extension fee, on the conditions prescribed under clause 5.2 to 5.5.

1. In case the allottee has partly completed the project as per clause 5.11(i)(b), no extension fee shall be required to be paid by the allottee for completion of project till the sixth year. In case the allottee fails to complete the project within six years, he shall be liable to pay extension fee at double the normal fee applicable for third (6th year) extension, for each year of delay or part thereof.

iv In case the allottee of the industrial plot under prestigious project category intends to lease out a part of the premises, after part completion of the project as stated

in clause 5.11(i)(b) above, the same may be allowed by the Committee under the Chairmanship of Administrative Secretary of the Industries Department, Govt. of Haryana, considering merits of the case.

1. **Exit route for allottees of prestigious project category:**

In case, the allottee has implemented/partly completed the project but is not in a position to complete the project within the stipulated period and intends to exit the scheme, the fee/penalty will be payable in the following manner:

Sr. No.	Investment achieved	*Fee/ Penalty (as % of current allotment price)	
		Min. Construction norms achieved	Min. Construction norms not achieved
i)	Above 25% but up to 50% of proposed investment	30%	35%
i)	Above 50% but up to 75% of proposed investment	25%	30%
ii)	Above 75% but less than the minimum investment of Rs. 50/40/30 crore (earlier Rs. 30/ 20/ 10 crore), as the case may be	15%	20%

* or double the normal fee, as applicable for transfer of plot, whichever is higher. Service tax as applicable shall be payable extra. Upon payment of the above mentioned penalty, the project shall be treated as general category project and shall be considered to have been completed subject to fulfilment of minimum construction coverage norms.

Note:* All pending applications, received before coming into force of EMP-2015, shall be considered to have been filed on 16.10.2015 i.e. the date of implementation of EMP-2015 and shall be dealt under the provisions of EMP-2015. In such cases, allotment rate mentioned in Annexure-2.1 shall be considered as the current allotment price for such pending applications.

5.12 Project Completion Certificate

It will be obligatory on the part of the original allottee to obtain 'Part Completion Certificate' / 'Project Completion Certificate' as the case may be from the concerned Estate Manager which will be conclusive evidence with regard to part completion/completion of the project. For this purpose, the allottee shall:

1. Submit an application to the concerned Estate Manager (on the prescribed proforma along with all the relevant documents/information) within 15 days of part completion/completion of the project;
1. The Estate Manager 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;

1. The Estate Manager shall issue the 'Part Completion Certificate' / '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;

1. In case, the Estate Manager is not satisfied with the claim of the applicant-allottee with regard to part completion/completion of the project, the request for issuance of part completion / Project Completion Certificate shall be declined in writing within 15 days of the receipt of application, clearly stating the reasons for such rejection.

1. For the purpose of issuance of Part Completion / Project Completion Certificate, reliance shall be made upon the Part Occupation Certificate/Occupation Certificate, CA certificate with regard to investment made in plant and machinery / project submitted by the allottee and physical verification of the plant and machinery installed vis-a-vis the information provided in CA certificate.

1. Upon issuance of Part Completion / Project Completion Certificate, the allottee shall be expected to file an annual information with the Corporation with regard to performance of the unit viz annual turnover, export turnover, employment in the unit, taxes paid, products manufactured etc. in the prescribed format to facilitate future planning of HSIIDC/State Government.

5.13 Building plans and Occupation Certificate

1. The building plans shall be got certified by the allottee from a Registered Architect before starting any construction activity on the plot. The building plans must be as per the Punjab Scheduled Roads and Controlled Areas Restriction of Unregulated Development Rules 1965 and rules & regulations of Town and Country Planning Department, Haryana as well as the zoning plan of the plot. A copy of the building plans duly certified by the Registered Architect must be filed by the allottee in the office of concerned DTP/STP, HSIIDC before start of construction activity.

1. Before occupying the building, the allottee shall obtain the occupation certificate of the building from the Competent Authority as per the rules and regulations of Town & Country Planning Department, Haryana.

1. In case any violation of the building byelaws/zoning regulations is observed at a later stage, the allottee shall be liable for strict penalties as per applicable law/terms and conditions of allotment.

5.14 **Minimum construction coverage norms in old cases**

The existing allottees who were allotted plots on or after 07.01.2008 shall also be eligible to avail the revised minimum construction coverage norms as mentioned in clause 5.10(1)(a). As regards, the other allottees who were allotted plots prior to 07.01.2008 and obtained occupation certificate as per the then applicable norms and their terms of allotment, shall be considered to have fulfilled the minimum construction norms notwithstanding the norms prescribed in EMP-2015.

The Board of Directors in its 329th meeting held on 21.09.2015 had formulated an amnesty scheme to grant extension in time for completion of project with envisaged investment to

the allottees of Prestigious category Projects who were allotted plots on or before 30.09.2008. Notwithstanding the provisions of extension to prestigious category projects, in this chapter, the amnesty scheme approved by the Board of Directors shall be applicable in those cases qua the rates of extension fee