

**ANDAMAN & NICOBAR ADMINISTRATION  
DIRECTORATE OF INDUSTRIES  
PORT BLAIR**

Dated: <sup>August 30,</sup> July.....2024

**OFFICE ORDER No. 390**

Pursuant to the constitution of Committee vide Order No. 325 dated 16.06.2023 as per the directions of Hon'ble Lt. Governor to ensure action against violations, deviations with reference to the Rules for managing Industrial Estate and the Lease agreement executed by the lessee who have been allotted Plots and Sheds in Industrial Estates managed by Directorate of Industries at Garacharama, Dollygunj, Mithakhari, Bakultala, Hutbay and Campbell Bay, the Hon'ble Lt. Governor, A & N Islands is pleased to approve following guidelines, which shall be followed by the committee while dealing with such violation.

The Committee shall examine each case of violation with respect to the Terms and Conditions of the agreement executed between the Department and the allottee / lessee and Rules for allotment of Plots / Sheds in Industrial Estate. The details of violations and action / penalty are as laid down below:

**1. Applicability:**

- 1.1. These guidelines shall be applicable only to the existing Industrial Units that are allotted Plots/ Sheds in the existing Industrial Estate managed by Directorate of Industries.
- 1.2. The provisions of these guidelines are made as one-time measure and shall come into force from the date of issue of this guidelines and shall remain in force only till such time the existing violations are rectified on one-time basis by imposing suitable penalties against the violations committed by the Industrial Units allotted space in the existing Industrial Estate, as detailed below:

**2. Encroachment / Excess area:**

- 2.1. No encroachment by way of occupying additional area adjacent to the plot / Shed or otherwise shall be allowed in any circumstances / case.



- 2.2. In cases where encroachment is observed, The Department shall issue a notice to the lessee informing of the violations within 7 days of issue of guidelines.
- 2.3. Within 15 days of receipt of such notice, lessee shall vacate the encroached area and handover the peaceful possession to the Department of such encroached area without any encumbrance.
- 2.4. In addition to resuming the encroached area, penalty at the rate of 5 times of the annual lease rent for the encroached area plus 14% compound interest calculated on yearly basis, from the date of issue of 1st notice of encroachment to the date of removal of encroachment, shall be levied.
- 2.5. The penalty so calculated shall be paid by the lessee within 30 days of issue of the notice to this effect, which may be extended by another 15-day subject to written request with justification.

#### **2.6. Action in case of non-compliance**

- 2.6.1. In all such cases, where the lessee does not hand over the possession of the excess area peacefully without any encumbrance or where the lessee fails to make the payment on account of penalty as calculated within such days as may be notified or such extended time as may be communicated, the Competent Authority i.e. the Commissioner cum Secretary (Inds) shall take action and cancel the entire allotment and terminate the lease agreement.
- 2.6.2. Upon cancellation, all dues that are payable by the lessee shall be recovered and action to evict the plot/ shed shall be taken as per the provision of clause 12 of these guidelines.

#### **3. Utilization of allotted Plot / shed for residential purpose:**

- 3.1. The Committee shall examine all such cases of allotment of Shed / Plot made to the lessee that is utilized for residential purpose in whole or part thereof except such area of Plot / Shed as may be required for accommodating watch and ward, labour rest room and office room which shall not exceed 10% of the original allotted plot/ shed.



- 3.2. The Department shall issue a notice to the lessee informing of the violations within 7 days of issue of guidelines.
- 3.3. Within 15 days of receipt of such notice, the lessee shall submit response with evidence in the form of photograph to the effect that the portion of the plot / shed utilized for residential purpose have been removed.
- 3.4. In case the lessee does not clear the area utilized for residential purpose or do not submit compliance with evidence within 15 days of receipt of notice the competent authority i.e. the Commissioner cum Secretary (Inds) shall take action cancel the entire allotment and terminate the lease agreement.
- 3.5. Upon cancellation, all dues that are payable by the lessee shall be recovered and action to evict the plot/ shed shall be taken as per the provision of clause 12 of these guidelines

#### **4. Change of Ownership / Constitution.**

- 4.1. The committee may consider the request for change in Ownership / Change in Constitution as given below:-
  - 4.1.1. Change in constitution within the family members / legal heirs may be considered in following cases
    - 4.1.1.1. Death of the original allottee supported by Death Certificate and Legal Heir certificate
    - 4.1.1.2. Due to poor health condition / incapacitation of the original allottee/ lessee supported by Medical Certificate.
  - 4.1.2 Every such request for change in ownership / transfer within family members without addition of outside members may be allowed on payment of non-refundable processing fee of Rs 10,000/- (Rupees ten thousand only).
  - 4.1.3 Change in constitution by inducting members outside family members or where the legal status of the firm is changed viz. Proprietary to Partnership / Limited Company may be allowed after payment of non-refundable processing fee of Rs. 2 (two) lakhs only.



- 4.2 In all such cases of change in Constitution/ Change in ownership, the Department shall issue a notice to the lessee informing the violations within 7 days of issue of guidelines.
- 4.3 Within 15 days of receipt of the notice, the lessee shall submit response in plain paper along with required documents.
- 4.4 Such request shall be submitted by the Department to the committee for decision.
- 4.5 The Committee shall consider the request of the lessee and take a decision and such decision shall be communicated to the lessee in writing by the Director of Industries or any such officer authorized for the purpose.
- 4.6 Within 15 days of receipt of the communication, the lessee shall execute a revised lease agreement for the remaining period of the lease in non-judicial stamp paper of appropriate denomination and get the same registered with the registering authority and all costs and incidentals towards executing the lease agreement shall be borne by the lessee.
- 4.7 In case the lessee fails to apply for change in ownership/ constitution within the stipulated time or do not pay the processing fee along with the application or do not execute the lease agreement within the stipulated time, the competent authority i.e. the Commissioner cum Secretary (Inds) shall cancel the entire allotment and terminate the lease agreement.
- 4.8 Upon cancellation, all dues that are payable by the lessee shall be recovered and action to evict the plot/ shed shall be taken as per the provision of clause 12 of these guidelines

## **5 Change of Activity/ Additional Activity-**

- 5.1 Change of activity / additional activity as per the functional requirement may be considered by the committee
- 5.2 For every request for change in activity/ inclusion of additional activity the lessee shall make payment of Non-refundable processing fee of Rs. 10,000/- (Rupees ten thousand only).
- 5.3 The request for change in activity or addition of activities shall be considered, subject to justifying the requirement of the extent of premises already allotted and such changes in the activity are compatible to the nature of the Industrial area and shall not be detrimental to the other neighboring lessee.



- 5.4 The activity which are under RED Category as notified by Central Pollution Control Board, Ministry of Environment, Forest & Climate Change, Government of India vide Circular No. B-29012/ESS/(CPA)/2015-16 dated 17th March, 2016 as amended from time to time shall not be considered.
- 5.5 All such change of activity/ inclusion of additional activity shall be subject to fulfilling the regulatory compliances as are required for the commencing commercial activity such as obtaining Consent to Establish/ Consent to Operate issued by PCB, NOC from Fire Department, License from Labour Department under Shops & Establishment Regulation and all such licenses/ approval as are required under different regulations that are in force.
- 5.6 The Department shall issue a notice to the lessee informing of the violations within 7 days of issue of guidelines.
- 5.7 Within 15 days of receipt of the notice, the lessee shall submit response in plain paper along with required documents.
- 5.8 Such request shall be submitted by the Department to the committee for decision.
- 5.9 All such requests for change of activity/ additional activity shall be submitted by the lessee to the Director of Industries, A & N Administration in plain paper along with supporting documents and processing fee within 15 days of notification of these guideline.
- 5.10 The Committee shall consider the request of the lessee and take a decision and such decision shall be communicated to the lessee in writing by the Director of Industries or any such officer authorized for the purpose.
- 5.11 Within 15 days of receipt of the communication, the lessee shall execute a revised lease agreement for the remaining period of the lease in non-judicial stamp paper of appropriate denomination and get the same registered with the registering authority and all costs and incidentals towards executing the lease agreement shall be borne by the lessee.
- 5.12 In case the lessee fails to apply for change of activity within the stipulated time or do not pay the processing fee along with the application or do not execute the lease agreement within the stipulated time, the competent authority i.e. the Commissioner cum Secretary (Inds) shall take action and cancel the entire allotment and terminate the lease agreement.



5.13 Upon cancellation, all dues that are payable by the lessee shall be recovered and action to evict the plot/ shed shall be taken as per the provision of clause 12 of these guidelines

## **6 Change of Name of the firm**

6.1 Change of name of the firm may be considered by the committee

6.2 For every change of Name of the Industrial Enterprises / Unit, the lessee shall make payment of Non-refundable processing fee of Rs 10,000/- (Rupees ten thousand only).

6.3 The Department shall issue a notice to the lessee informing of the violations within 7 days of issue of guidelines.

6.4 Within 15 days of receipt of the notice, the lessee shall submit response in plain paper along with required documents.

6.5 The Committee shall consider the request of the lessee and take a decision and such decision shall be communicated to the lessee in writing by the Director of Industries or any such officer authorized for the purpose.

6.6 Within 15 days of receipt of the communication, the lessee shall execute a revised lease agreement for the remaining period of the lease in non-judicial stamp paper of appropriate denomination and get the same registered with the registering authority and all costs and incidentals towards executing the lease agreement shall be borne by the lessee.

6.7 In case the lessee fails to apply for change of activity within the stipulated time or do not pay the processing fee along with the application or do not execute the lease agreement within the stipulated time, the competent authority i.e. the Commissioner cum Secretary (Inds) shall take action and cancel the entire allotment and terminate the lease agreement.

6.8 Upon cancellation, all dues that are payable by the lessee shall be recovered and action to evict the plot/ shed shall be taken as per the provision of clause 12 of these guidelines

## **7 Action in case of units that have not been set up**

7.1 In all such cases, where the lessee has not taken any initiative to set up the enterprise even after handing over the plot/ shed for more than 4 years, the competent authority i.e. the Commissioner cum Secretary (Inds) shall take action and cancel the entire allotment and terminate the lease agreement, without giving any further notice



since more than three notices have already been issued to the lessee before notification of this guidelines.

7.2 Upon cancellation, all dues that are payable by the lessee shall be recovered and action to evict the plot/ shed shall be taken as per the provision of clause 12 of these guidelines

## **8 Action in case of units that is not functioning:**

8.1 In all such cases, where the unit is not functioning continuously for a period of more than 6 months, the competent authority i.e. the Commissioner cum Secretary (Inds) shall take action and cancel the entire allotment and terminate the lease agreement, without giving any further notice since more than three notices have already been issued to the lessee before notification of this guidelines.

8.2 Upon cancellation, all dues that are payable by the lessee shall be recovered and action to evict the plot/ shed shall be taken as per the provision of clause 12 of these guidelines

## **9 Action in case of Lease Rent Due for more than 2 years.**

9.1 In all such cases, where the lessee has not paid the lease rent continuously for 2 (two) years, the competent authority i.e. the Commissioner cum Secretary (Inds) shall take action and cancel the entire allotment and terminate the lease agreement, without giving any further notice since more than three notices have already been issued to the lessee before notification of this guidelines.

9.2 Upon cancellation, all dues that are payable by the lessee shall be recovered and action to evict the plot/ shed shall be taken as per the provision of clause 12 of these guidelines.

## **10 Action in case of multiple Violation.**

10.1 Where the unit has violation of excess area / encroachment along with other type of violations, the decision to regularize other type of violation shall only be taken after clearing the violation of excess area/encroachment as per provisions of clause 2 of this guideline.

10.2 Except in case of encroachment, the committee may regularize the violations as per the provisions of clause (3) to (6) of these guideline.

## **11 Renewal of Lease Period**

11.1 Within 7 days of issue of guidelines, the Department shall issue a notice to the lessee informing expiry of the lease period for



submission of application for renewal along with required document.

- 11.2 Within 15 days of receipt of the notice, the lessee shall submit response in plain paper along with required documents.
- 11.3 The Committee shall examine all cases where the lease period is expired and only those cases wherein there are no violations, or the violations have been set right shall be recommend by the committee for extension of lease period and such extension of lease period shall be only till the notification of New Policy for Allotment and Management of Industrial Estates.
- 11.4 Such decision of the committee shall be communicated to the lessee by the Director of Industries or an officer authorized for the purpose and within 15 days of receipt of the communication, the lessee shall execute a revised lease agreement for the remaining period, which shall be till the date of notification of Policy for Allotment & Management of Industrial Estate. The lease deed shall be executed in non-judicial stamp paper of appropriate denomination and get the same registered with the registering authority and all costs and incidentals towards executing the lease agreement shall be borne by the lessee.
- 11.5 In case the lessee fails to execute the lease agreement within the stipulated time, the competent authority i.e. the Commissioner cum Secretary (Inds) shall take action and cancel the entire allotment and terminate the lease agreement.
- 11.6 Upon cancellation, all dues that are payable by the lessee shall be recovered and action to evict the plot/ shed shall be taken as per the provision of clause 12 of these guidelines.

## **12 Consequence of termination of the lease.**

- 12.1 The termination notice shall invariably contain the order of Commissioner cum Secretary (Inds) to seal the premises, order the agency providing services to disconnect Electricity & Water Connection.
- 12.2 Upon termination of the lease: -



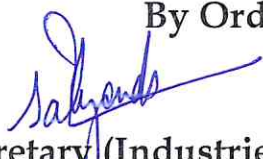
- 12.2.1 The Security deposit shall be forfeited by the Department.
- 12.2.2 Within 5 days of issue of order of termination of lease, the Authorized officer of Industries Department shall make an inventory of the plant, machinery, equipment, raw materials, finished goods, semi-finished goods etc. available in the premises of the lessee and the premises sealed in the presence of lessee or his authorized representative.
- 12.2.3 Within 30 days of receipt of communication of termination of the lease, the lessee shall clear all the dues and handover the peaceful possession of the premises (Industrial Plot / Industrial Shed as the case may be), free from encumbrances.
- 12.2.4 Only upon clearing the dues and handing over the peaceful possession of the Plot/ Shed, the plant and machinery, equipment, raw materials, goods and such other materials shall be handed over to lessee.
- 12.2.5 In case the dues are not paid within the stipulated period, the Competent Authority i.e. Commissioner cum Secretary (Inds) shall take action and order to dispose-off items in such manner as deemed fit including public auction to recover such dues.
- 12.2.6 In the event the dues are not completely recovered by the options given at clause 12.2.1 and 12.2.5, the dues shall be recovered in the same manner as arrears of land revenue as provided in Clause (b) of Section 130 of the A & N Islands Land Revenue and Land Reforms Regulations 1966 (No. 2 of 1966) or under the provisions of any other law for the time being in force.
- 12.2.7 In case the lessee does not handover the peaceful possession of the Plot/ Shed free from encumbrances and / or does not clear the outstanding dues within the stipulated time:
- 12.2.7.1. The Department shall initiate legal proceedings against the lessee by filing an FIR treating the lessee or any of his representative to be trespasser.



12.2.7.2. The Department shall refer the matter to Estate Officer for eviction of the Plot/ Shed as per the provisions of Eviction of Public Premises (Un-authorized Occupants) Act, 1973.

### 13 Appeal

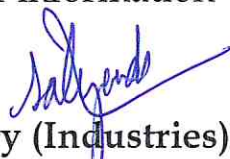
- 13.1 All appeals against any order issued pursuant to implementation of these guideline shall be preferred by the aggrieved party to the Chief Secretary, Andaman and Nicobar Administration.
- 13.2 All such appeals shall be preferred within a period of 30 days from the date of receipt of the order appealed against by such party.
- 13.3 Condonation of delay up to a maximum 30 days may be given by the appellate authority subject to proper justification.
- 13.4 The decision of the appellate authority shall be final and binding on both the parties.

By Order  
  
Secretary (Industries)

### OFFICE ORDER BOOK

Copy to:

1. The Secretary to HLG for kind information of Hon'ble Lt. Governor.
2. PS to Commissioner (Industries) for kind information of Commissioner (Industries).
3. The PA to Secretary (Industries) for kind information of Secretary (Industries).
4. All Members of the Committee constituted vide Order No. 325 dated 16.06.2023.
5. The Director of Industries for Information.
6. All the Deputy Director's, Directorate of Industries for information and necessary action.
7. All the Assistant Director's, Directorate of Industries, for information and necessary action.

  
Secretary (Industries)