



SCHEME FOR LAND OWNERS BECOME PARTNERS IN DEVELOPMENT WITH HIMUDA.(Approved on 31-10-2015).

Under this scheme land owner(s) can become partners with the Himachal Pradesh Housing And Urban Development HIMUDA and HIMUDA shall develop the land of the land owner(s) and sell the developed land in accordance with the scheme of HIMUDA. The proceeds shall be shared between the land owner(s) and HIMUDA. The features of this scheme are as under:-

1. The land owner(s) having contiguous chunk of land appropriately located for developing an Urban Estate can enter into an agreement with HIMUDA, giving rights of land to HIMUDA. HIMUDA if satisfied with the viability of the project can take over possession of land for development after registration of land in favour of HIMUDA. Exclusive commercial projects can also be executed under this scheme.
2. The land has to be free from all encumbrances and the decision whether to go for an agreement on any land thus offered will be the option of the HIMUDA.
3. The land owner(s) shall give all rights of development and sale of his/their land to the HIMUDA at the time of signing of agreement.
4. The land owner(s) shall give right of mortgaging their land with banks/financial Institutions to HIMUDA to carry out the development activities.
5. The HIMUDA will develop the land as per the specifications/ norms as per approved plan of scheme at the cost of land owners within a period of five years.
6. The HIMUDA will fix the rate at which the plots, houses, institutional, commercial area etc. shall be sold in consultation with the land owner(s).
7. In case there is more than one owner and there is lack of consensus for reserve price at which the developed land shall be sold, then the price will be decided by the majority of ownership and the weightage of himuda will be 20% of the total.
8. As the receipts from the sale of developed land will be deposited in a separate ESCROW account to be operated jointly by both the parties and managed by HIMUDA .

9. The HIMUDA will keep the complete account of the receipts and expenditure incurred on the development of this particular project.
10. The HIMUDA will have the mandate to use this account only for payments related to the development activities in that particular project, payment of interest and principal in case of any loan that has been raised for development purposes and for the payment to the share holders in the land or HIMUDA as per financial agreement.
11. In case at any point of time it is found that the land is not free from encumbrances or under any civil suit or any legal matter comes up which hinders the sale of land, HIMUDA shall have the right to exit from the project. All the liabilities of such exit will be borne by the land owner(s).
12. Once the development works are completed and Completion Certificate is issued by HIMUDA, then the owner(s) will not have any right to exit from the project.

Financial Agreement

1. The entire development expenses of area which includes levelling, earth work, roads, laying of basic amenities like sewerage, water supply, storm water sewer, electrical, street lighting, parks, green areas etc will be borne by the project. HIMUDA will charge an administrative cost of 10% from the project over and above the actual cost of development.
2. All requisite fees/ NOC such as Change of land use, Environment clearance, TCP clearance, Forest clearance, EDC, License/Permission Fee, Social Infrastructure Fund and Urban Development Fund shall be borne by the project.
3. The interest component on every loan such raised for the development of land will be borne entirely by the project.
4. The HIMUDA shall have the right to issue LOI and get registered the conveyance deed of the sold properties.
5. All receipts from the sale of land will come to a separate account to be operated jointly by both parties. The first charge from such receipts will be the repayment of loan and interest component, if any and second charge will be payment of the cost of development.
6. The net receipts/profits from sale of land will be shared in the ratio of 80:20 by the land owner and HIMUDA respectively.
7. The payment will be released by HIMUDA to the land owner(s) in accordance with their share and the 20% of the total net receipts / profits shall be kept by HIMUDA itself.

An illustration regarding works to be done and sharing of profits is given as below:-

Sr. No.	Item	Land Holders	HIMUDA	Project
1	Land	Yes	-	
2	Loan if required	-	Yes	Yes
3	All permissions and fees such as CLU,EDC, LF, SIF Charges	Yes	-	Yes
4	Development cost	Yes	-	Yes
5	Development Execution	-	Yes	
6	Sale Price fixation	Yes	Yes	
7	Sale of Property	-	Yes	
8	Receipt of sale proceeds	-	Yes	
9	*Profit Sharing	80%	20%	

Note:- * Profit means net receipts received after deducting all fees, EDC, LF, SIF charges, interest of loan if any, cost of development works, Maintenance Cost, Administrative charges, the cost incurred on advertisement, auction and land cost at negotiated rates.

Illustration of tentative Profits likely to accrue to land holders per acre.

Estimated Cost per acre

1. Cost of land @ Rs. 75.00 lac per acre (5.4 bigha) = 75.00 lac
2. Cost of development @ Rs. 30.00 lac per acre = 30.00 lac.
3. Payment of EDC, LF, SIF charges etc. = 25.00 lac
4. Other Adm. & Misc Charges @ 10 Lac per acre = 10.00 lac
5. Maintenance Cost @ 2.5 % of total cost for
5 years per acre = 8.00 lac
6. Total Cost per acre = 148.00 lac

1. Estimated Receipts

1. Saleable area per acre =2225 sq mtr.
 - a. Residential @ 50% = 2024 sq mtr.
 - b. Commercial @ 5% = 201 sq mtr

2. Receipts

- a. Residential @ 9,550 per sq mtr =193.30 lac
 - b. Commercial @ 30,500 per sq mtr =61.30 lac
- Anticipated return (a+b) =253.60 lac say 254 lac

Net Profit (254.00 lac – 148.00 lac) = 106.00 lac per acre

3. Sharing of net profit per acre

- a. Land owner @ 80 % = 84.88 lac say 85 lac
- b. Dev.HIMUDA @ 20% = 21.00 lac

Hence the land owner is likely to get profit of Rs 85.00 lac per acre.

- 8. The land owner(s) shall have the option of retaining up-to 25% of the residential plots after paying share of HIMUDA on reserve price in lump sum, provided that the total area of that land owner in the project is not less than one acre. This option will be in accordance with the size of the available residential plots in the approved layout plan of the area.
- 9. Authority will retain from the project the operation and maintenance charges for five years from the date of issue of Completion certificate of the development works @ 2.5% of the developing cost of the project.
- 10. All the powers for any transaction/sale of plots will be with the officer authorized of HIMUDA.
- 11. Payment Schedule for the sale of developed land shall be maximum three years or on agreeable to both the parties.
- 12. The sale of residential plots, commercial and other property in the project will be as per the scheme of the Development HIMUDA.
- 13. In the implementation of this scheme, if any amendment or exception from the prevailing Acts/ Policies that are required will be granted by the concerned development HIMUDA/government.