

27

**STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU
LIMITED**

19-A, Rukmani Lakshmi pathy Road, Egmore, Chennai – 600 008

OFFICE ORDER

O.O No. 39/2021

Dated: 09.04.2021

Sub: SIPCOT - Procedure for according approval for transfer of lease hold rights on the allotted plot for the balance lease period in favour of transferee unit - Orders issued – Reg.

- Ref: 1. Office Order No.46/1994, dated 12.12.1994.
2. Office Order No.01/2005, dated 05.01.2005.
3. Office Order No.19/2019, dated 31.07.2019.
4. Office Order No.03/2020, dated 23.01.2020.
5. Office Order No.11/2020, dated 11.03.2020.
6. Office Order No.23/2021, dated 17.03.2021.

.....

In the Office Orders 1 & 2nd cited, it has been ordered that if there is any change in the shareholding pattern of the allottee due to induction of new partners / shareholders and where more than 50% of the shareholding is transferred to new persons resulting in total change or substantial change in the ownership in the existing allottee unit or transfer to a unit where original promoters of the existing allottee hold less than 50% of the shares in the new transferee unit, the same will be construed as change in management/transfer of leasehold rights. The allottee will be asked to pay the difference in the prevailing plot cost at the time of transfer after adjusting the plot cost paid by them original promoters.

Accordingly, in supersession of earlier Office Orders, whenever there is a change in management/transfer of leasehold rights as prescribed above, the applicable transfer fee should be charged based on the functioning status of the allottee as per the Office Order in the reference 3rd cited.

The Board of SIPCOT at its meeting held on 26.12.2019 reviewed the existing policy in detail and approved the method of computation of differential plot cost at the time of the second and subsequent changes of management.

The procedure for according approval for transfer of leasehold rights of the allotted plot either in whole or in part in favour of the transferee unit for the balance lease period is under:

Procedure for according approval for transfer of leasehold rights of the plot

- The allottee shall submit the prescribed application along with the list of documents & processing fee. ✓
- If required particulars / documents have not been received along with the application, the same has to be called for by SIPCOT from the allottee within one week from the date of receipt of the application.- ✓
- The allottee shall furnish the said particulars / documents within one week thereafter from the date of SIPCOT letter. ✓
- In the mean time, PO's report on the functioning status of the allottee's to be obtained with supportive evidences.
- If the additional particulars/documents as called for by SIPCOT have not been received within the time, rejection letter on the request of the allottee for the transfer of leasehold rights shall be issued by SIPCOT within three days on expiry of time for submission of particulars/documents. ✓
- If all the particulars/documents received, along with the application, it will be processed further and approval for transfer of leasehold rights shall be accorded within 20 days from the receipt of application from the allottee. ✓
- On receipt of all particulars/documents from the allottee as called for by SIPCOT, the approval for transfer of leasehold rights will be issued within 20 days from the receipt of particulars/documents.

Workings of differential plot cost

- Comparison of the shareholding pattern of the allottee at the time of allotment /previous approval, if any, with the shareholding pattern of the allottee as on date is to be prepared by SIPCOT. If any change in management is found, as defined in office orders cited, functioning status of the allottee is to be checked by verifying the copies of sales invoice,/ EB Bill receipts and water charges payment receipts of the allottee/approved unit and differential land cost should be worked out i.e. the difference between the prevailing plot cost at the time of

transfer for which approval is considered and the allotment rate at the time of allotment/at the time of immediate previous transfer and % of differential plot cost shall be worked out based on its functioning status, as per the office orders prevailing at that time.

- If there is change in management in the allottee company before 18.07.2019, the differential plot cost should be demanded as per O.O.No.1/2005 dt. 05.01.2005 based on the functioning status and accordingly approval shall be accorded for transfer of leasehold rights of the allotted plot in favour of the transferee unit by collecting the applicable differential plot cost besides other dues if any.
- If there is change in management in the allottee company after 18.07.2019 then differential plot cost should be demanded as per O.O.No.19/2019, dated 31.07.2019 and approval shall be accorded for transfer of leasehold rights of the allotted plot in favour of the transferee unit by collecting the applicable differential plot cost besides other dues if any.
- If the unit has not commenced commercial production, 100% differential plot cost should be demanded as transfer fee and if the unit functioning for more than 5 years / less than 5 years from the date of commencement of commercial production and without change in management in the allottee company, 10% / 20% of differential plot cost should be demanded respectively besides dues towards maintenance charges & water charges, if any, as per O.O.No.3rd cited
- As regards to sale of assets is made through Official Liquidator/Court/NCLT approval for transfer of leasehold rights of the allotted plot shall be accorded in favour Auction Purchaser (transferee unit) by collecting dues towards maintenance charges, water charges during prior & after possession period with 'NIL' transfer fee as per O.O.3rd cited.

- In case of sale of assets by the Banks/Financial Institutions/Listed NBFC/ARC where NOC was issued for mortgaging the leasehold rights of the allotted plot to the Banks/Financial Institutions, approval for transfer of leasehold rights of the allotted plot shall be accorded in favour of the auction purchaser (transferee unit) by collecting dues towards maintenance charges & water charges during prior and after possession period with 'NIL' transfer fee as per O.O.3rd cited.
- If sale of assets by Banks/Financial Institutions/Listed NBFC/ARC where NOC was not issued for mortgaging the leasehold rights of the allotted plot to the Bank or Financial Institution, approval for such transfer shall be accorded by demanding 10% of differential plot cost and other dues if any.
- If the transfer of shares among the relatives of original promoter as defined under Income Tax Act 1961, approval shall be accorded for transfer of leasehold rights of the allotted plot in favour of the transferee unit with NIL transfer fee besides other dues if any.
- The details of project of transferee unit has to be verified and if the product comes under red category / attract Environment Clearance, necessary special condition shall be stipulated while according approval for such transfer.
- The approval for transfer shall be issued as per the format enclosed.

Time line

Sl. No.	Documents / particulars	Period
1	Calling for additional particulars/ documents & report from PO.	1 week from the date of receipt of request letter.
2	Furnishing the particulars/ documents by the allottee.	1 week from the date of SIPCOT letter.
3	Issuance of closure / rejection letter for the transfer of leasehold rights of the allotted plot.	3 days on expiry of time for submission particulars/ documents by the allottee.
4	Issuance of approval for transfer of leasehold rights on receipt of all required particulars/ documents along with the application itself.	20 days from the receipt of application along with all the required particulars/ documents from the allottee.
5	Issuance of approval for transfer of leasehold rights upon receipt of all required particulars/ documents as called for by SIPCOT.	20 days from the receipt of all particulars/documents from the allottee as called for by SIPCOT.

This procedure has to be adopted scrupulously.

Sd/-
(J. KUMARAGURUBARAN)
MANAGING DIRECTOR

To
To
All GMs
All HoDs
All Project Officers

Copy to:
PA to MD
PA to ED
IT Department

//Forwarded by Order//

H. Prathapathy
General Manager (P-II)

Lr.No.

Date:

M/s.

by RPAD

Sir(s),

Sub: SIPCOT Industrial Park- Plot No...../measuring
acres - Transfer of leasehold rights to M/s..... -
Approval accorded - Reg.

Ref: 1.This Office Allotment Order dated
2.Your letter dated
3.This Office letter dated
4.Your letter dated

* * *

With reference to your letter 2nd 3rd & 4th cited, we hereby accord our approval for transfer of lease hold rights of the Plot Nos...../
measuring acres at SIPCOT Industrial Park..... in favour of
M/s..... to set up an unit for the manufacture of
with the following shareholding pattern and subject to conditions stipulated
below : -

Sl. No	Name of the shareholder	% of shareholding pattern as onas per CA /CPA Certificate/
1		
2		
3		
	Total	100.00%

1. The allottee shall pay differential land cost of Rs..... within 30 days from the date of this letter along with processing fee of Rs..... (Inclusive of GST@18%). Also, remit the dues towards maintenance charges, water charges & interest on water charges of Rs..... And other dues if any immediately.

2. The new incumbent shall execute Modified Lease Deed at their cost within 45 days from the date of approval of the draft MLD by SIPCOT.
3. The new incumbent shall implement the project within 12/24 months from the date of this letter.
4. The new incumbent shall establish Zero Liquid Discharge effluent treatment plant as prescribed by TNPCB for the proposed project.
5. The new incumbent shall obtain all statutory approvals including Consent to Establish from TNPCB for the proposed project before commencement of production.
6. The new incumbent shall furnish an Undertaking to abide by the terms and conditions of SIPCOT before execution of Modified Lease Deed.
7. The new incumbent shall furnish an Undertaking with regard to payment of service tax in the prescribed format in Rs.20/- non-judicial stamp paper before execution of Modified Lease Deed.
8. All other conditions of allotment order & Lease Deed executed by M/s..... and Modified Lease Deed executed by M/s..... in respect of the subject plot shall apply mutatis mutandis.

9. All the payments shall be made ONLY through SIPCOT online portal and website : www.sipcot.tn.gov.in payments made directly into SIPCOT - Project Office / Head Office's Bank Account will not be considered as payment and will not be matched with the outstanding receivable from the Allottee.

Yours faithfully,
Sd/-
(J. KUMARAGURUBARAN)
MANAGING DIRECTOR

Copy to :

1. M/s.....

2. The Project Officer,
SIPCOT Industrial Park,

:: You are advised to send a draft Modified Lease Deed for approval on compliance of the above conditions.

//Forwarded by Order//

H. Prabhakar
General Manager (P-II)