

## **Rules and regulations for allotment and other aspects of industrial plots**

### **1. Application form**

How to apply: The applicant has to register his/her application on the prescribed application form along with the following documents:

1. Processing fee of Rs.10,000/- in the form of demand draft (money non-refundable & non-adjustable).
2. Registration fee payable in the form of DD/bank draft for the relevant amount:
  - a. For plots of up to 1000 sq.mtrs.: Rs.25000/-
  - b. For plots of above 1000 to 2000 sq.mtrs.: Rs.50000/-
  - c. For plots of above 2000 sq.mtrs.: 2% of the total premium of the plot applied for.

Note: All DDs/bank drafts must be made out in favour of "General Manager (District Industries Centre), Dadra and Nagar Haveli, Silvassa" payable at Silvassa. Both payments have to be made by separate demand drafts.

3. Project report: The detailed project report must consist of: the promoters' background, product details and its market potential, land area applied for and its break-up of uses of possible tentative, layout, construction schedule, product process flow-chart, projected cash-flow statements, total project cost, total investment including investment in building, plant & machinery, means of finance etc.
4. Financial/technical support paper: Balance sheets for the last three years of the applicant company/promoters with necessary resolutions, IT returns and papers concerning financial/technical support.

Thus, application forms complete in all respects, should be submitted to the General Manager (District Industries Centre), Dadra and Nagar Haveli, Silvassa office at the Udyog Bhavan, Amli, Silvassa between 10.00 am and 4.00 pm on any working day of the Authority.

### **2. ALLOTMENT LETTER**

Procedure for allotment: Applications are screened by a committee designated/constituted for this purpose. Projects which are prima facie cleared by this committee will be called for one-to-one interactions with the promoter before the designated committee. Successful applicants will be issued allotment letters after the approval of the Collector/Lessor of the Authority.

Unsuccessful applicants will be informed along with a refund of the registration amount deposited.

On the approval of the Collector/Lessor, allotment letters will be issued within a week of such approval, by the General Manager (District Industries Centre) with the condition that the unit obtains a No Objection Certificate from the Pollution Control Board within three months.

### 3. PAYMENT TERMS AND POSSESSION

#### MSME units/Non-MSME units

1. The allottee must ensure payment of 30% of the total premium, as allotment money (after adjusting the registration money already paid), within 30 days of the date of issue of the allotment letter. There will be no interest incident for this period. The allotment would stand cancelled in case of non-payment of the allotment money within the stipulated time. No extension will be given for the deposit of the allotment money. However, under special circumstances, the Collector/Lessor, or the officer authorised by him, can grant an extra period for payment. In such cases, the allottee will have to pay interest @ 14% compounded half-yearly for such extended periods.
2. The balance of the premium will be payable in 10 half-yearly installments with interest @ 11% p.a. The Authority reserves the right to cancel the allotment/lease in case of any delay of payments by the allottee. The first such installment with interest will become due on 30th June or 31st December, whichever comes first, after six months of the date of issue of the allotment letter.
3. Any extension granted for the payment of installments after the due date will bear an interest incidence of 14% p.a. The interest will be charged on the defaulted amount for the defaulted period.
4. The allottee will pay the premium of the actual area of the plot. In case there is a difference in the area, all payments will be made at the rate then prevailing and shall be payable within 30 days. If the difference is more than 10%, the allottee will have the option of surrendering the allotment.
5. If there is any increase in the rate of land acquisition, the allottee will pay the additional amount proportionately with the cost of the land.
6. a. Industrial plots will be allotted on lease for 30 years on an "as-is, where-is" basis.  
b. The allottee will pay lease rent @ 2.5% of the total premium annually. The lease rent amount can be increased every 10 years. However, this increase would not be more than 50% of the earlier total charge.  
c. The option will be given to the allottee to deposit 11 years' lease rent charged as a one-time payment, which will be adjusted against the total charge for the whole period. If the allottee changes/transfers, no amount will be charged as lease rent.

#### 4. LEASE DEED

1. Execution of the lease deed is essential within 18 months of the date of allotment. An extension of 6 months can be granted on payment of a penalty equal to 3% of the total premium. In case the lease deed has not been executed even on the expiry of 2 years, allotment of plot will be cancelled.
2. The date of execution of lease deed shall be deemed as the date of handing over possession of the plot.

## 5. TIME LIMIT FOR COMMENCEMENT OF PRODUCTION AND EXTENSION OF TIME

It will be essential for the units to become functional within 36 months of the date of allotment.

If the unit has not become functional even after exerting every effort, the unit must submit a written request for extension of the period. The extension will be allowed on the following conditions:

1. One year's extension can be granted on the payment of a penalty equal to 4% of the total premium with the approval of the General Manager (District Industries Centre).
2. A second extension of a maximum of one year can be granted on justified grounds of delay and on payment of a penalty equal to 6% of the total premium with the approval of Collector/Lessor.
3. In case the unit is not made functional even after two extensions, the unit has to apply for a third extension with adequate explanations of the grounds of delay. A further extension of a maximum of one year can be granted by the Collector/Lessor on the payment of a penalty equal to 8% if the special circumstances are found convincing.
4. No extension will be granted after the above three stated extensions.

## 6. EARLY-PRODUCTION INCENTIVE

For early commencement of production by the unit, an incentive at the rate of Rs.50/- per sqm will be given on the following conditions:

1. The unit has to start production within two years of the date of allotment.
2. A minimum 50% of the permitted covered area of the allotted plot has to be constructed.
3. The unit has to apply for production incentives within 6 months of the date of commencement of production.

Delayed applications will be liable for penalty as under:

For applications received with one month's delay: Rs. 1/- per sqm.

For applications received with two months' delay: Rs. 2/- per sqm.

For applications received with three months' delay: Rs. 3/- per sqm.

Applications received after nine months will not entertained. The early-production incentive amount will be adjusted in the last due installment of the premium.

In case full payment has already been made, the incentive amount will be paid by cheque.

## 7. SURRENDER OF INDUSTRIAL PLOTS

1. The allottee can surrender the plot before cancellation of the allotment.
2. If the lease deed has been executed, the surrender deed must also be executed.
3. All premia and payable interest deposited by the allottee will be refunded in full.
4. If the lease deed has been executed and possession has been taken, all premium and interest payments will be refunded.

However, lease rent, time-extension fees and other charges till the date of surrender will be deducted.

## 8. TIME LIMIT AND LEVEL FOR ACCEPTING SURRENDER

1. Surrender will be accepted by the General Manager (District Industries Centre) within 15 days of the date of receiving the application.
2. After approval of surrender by the General Manager (District Industries Centre), the refund will be made within 15 days of the date of approval.

## 9. TRANSFER OF INDUSTRIAL PLOT/UNITS

1. Transfer permission will be granted only after making the unit functional (certificate of functional should have been obtained by the allottee). For this, the application must be submitted to the General Manager (District Industries Centre) in the requisite format.
2. Transfer will only be allowed after making full payment of the premium of the plot and other dues if any.
3. The Authority will charge 5% of the total premium of the plot calculated at the prevailing rates of allotment as transfer charges on every transfer.
4. No transfer charges are levied on the transfers caused through transfer of shares in the company/companies listed on stock exchange.

## 10. CANCELLATION OF PLOT ALLOTMENT

Allotted plots can be cancelled for the reasons given below:

1. Non-payment of two consecutive installments required to be paid with interest within the prescribed due date.
2. Non-execution of the lease deed even in the extended period.
3. Not making the unit functional even on expiry of the extended period.
4. After cancellation due to any of the above-stated reasons, a maximum of 20% of the total premium will be deducted and the balance deposited premium amount will be refunded without interest. If 20% of the total premium amount is not deposited, the entire deposited amount will be forfeited.

5. In case of a cancellation made due to the submission of wrong/false information for acquiring the allotment and/or violation of any of the conditions of lease-deed conditions, the entire deposited amount will be forfeited.

## 11. RESTORATION OF CANCELLED ALLOTMENT

For cancellations made due to violation of allotment terms and conditions, restoration can be considered on payments of restoration charges at the rate of 10% of the original premium prevailing at the time, on the following conditions:

1. Receipt of application for restoration in the office of the General Manager (District Industries Centre) within 60 days of the date of cancellation, is essential.
2. Restoration can be allowed only if the unit has deposited a minimum 50% of the total premium, and all other dues are paid up to date.

## 12. CHANGE IN CONSTITUTIONS FOR INDUSTRIAL PLOTS

An application to GM (District Industries Centre) has to be made for a change in constitutions.

With changes in constitutions, ownership rights should not be changed, otherwise provisions of transfer will be applicable.

Ownership rights means original allottee/allottees should possess a minimum 51% shares.

If it is observed that the change of ownership rights is made through a change in constitution before the unit has become functional, such a transfer will be considered void and the allotment will be cancelled. After making the unit functional, such a change in constitution may be permitted on depositing 5% of premium at the current rate proportionately.

### 12A. PROPRIETORSHIP TO PARTNERSHIP

Change in constitution from proprietorship to partnership is proposed to be allowed with following conditions.

A certified copy of the partnership deed and form A and B issued by the Registrar of Firms should be submitted along with a requested for a change in constitution. Apart from above the affidavit of relationship of the new incumbent has to be given.

### 12B. CHANGE OF PARTNER IN PARTNERSHIP DEED

A certified copy of the dissolution deed, new partnership deed, form A and C issued by the Registrar of Firms along with an affidavit showing the relation among partners are required to be submitted along with a request to change the partner or partnership deed.

### 12C. TRANSFER OF UNIT IN PVT. LTD./LTD. COMPANY

Copies of the Articles and Memorandum of Association, certificate of Incorporation, list of shareholders/ director duly certified by a CA, form 32 duly acknowledge by the R.O.C., and Board Resolution duly signed by the company president, are required to be submitted along with the request for a change by the current allottee.

### 13. CHANGE/ADDITION OF PRODUCT

1. On submission of the application along with the project report, new product change/addition of product can be allowed.
2. Change of products will be allowed only for the products not classified in the negative list of the Authority.
3. Permission for the change of products will be granted by General Manager (District Industries Centre).

### 14. MORTGAGING THE PLOT

1. Permission for Mortgage of the plot can only be granted provided that the allotment is not cancelled earlier, or the time-limit for coming into production has not expired.
2. In the case of mortgaging the plot, the Authority will have first charge and the allottee will make the due payments regularly from time to time to the Authority. Permission for mortgage will be granted for project financing.
3. On approval of the Collector/Lessor, mortgage permission will be issued by the General Manager (District Industries Centre).

### 15. LEASE RENT

Lease rent will be payable @ 2.5% of the total premium per year. In the case of a one-time payment, it will be 11 times (27.5%) of the total premium. Default in the payment of annual lease rent shall bear interest incident of 14% p.a. on the defaulted period.

### 16. DECLARING FUNCTIONAL UNITS

Industrial units will be declared functional after submitting the documents listed below. The authority for declaring a unit functional is with the General Manager (District Industries Centre).

1. Attested copies of Udyog Aadhar Memorandum/Udyam Registration Certificate/IEM/VAT/GST Department certificate (with date of commencement of production)/Trade Tax Exemption Order/Trade Tax Assessment Order.
2. Affidavit of the building completion certificate stating that 50% of the total permitted covered area of the unit has been constructed, and fire and other NOCs have been obtained from the relevant competent authorities.
3. Lease deed/transfer sale deed, whichever is applicable, has been executed.
4. No dues certificate from the Authority.
5. Besides the above, additional documents can also be presented: ESI registration certificate, PF registration, registration under the Factories Act/electricity consumer bill/telephone bills (to prove the unit is functional).
6. If Authority declares the unit functional, then the date of functioning shall be the date mentioned in the document at serial No. 1 of para 16 as date of commencement of production, even if allottee/lessee submits its request at a later date.

7. In the absence of the above documents, in special cases, a committee comprising of the General Manager (District Industries Centre), Chief Inspector of Factories and Boiler and Deputy Commissioner (VAT/GST) will inspect the unit so that the date of commencement of the functioning of the unit can be decided.

## 17. PROVISION FOR RENTING UNITS

Units can be rented on the following conditions exclusively:

1. The industrial unit has been declared functional and the building completion certificate has already been issued.
2. The proposal for renting is for the whole unit.
3. Parts of unit will not be allowed to be rented.
4. Payments to the Authority are being made regularly
5. Lease deed/transfer deed/sale deed, whichever is applicable, has been executed.
6. If permission for mortgage has been given, a no objection certificate from the creditor institute will be necessary.
7. A report of the product and project must be submitted.
8. New projects should be pollution-free and there should not be any ban on the projects.
9. For the first 10 years, the rent charged for the whole area of the land allotted will be decided by the Authority from time to time. The present rate is Rs.3/- per sq.mtr on the total area for 10 years.
10. If any tenant vacates the area within 10 years, for the remaining period, the allottee will again have to obtain permission for renting for the remaining period.
11. The permission shall be granted by the Collector/Lessor of the authority.

## 18. RULES OF CLUSTER GROUP

1. In view of present market conditions, allotments will be made for all kinds of products in Textile Park.
2. Only a woman or group of women can own units/plots in the Mahilla Udyami Park.
3. Only similar products will be allowed in the area reserved for metal, wire, cable, furniture and garments.

## 19. INDUSTRIAL FACILITIES

The undernoted industrial facilities will be allowed in the industrial sector and will be allotted at one-and-a-half times the prevailing industrial rate of that area:

1. Warehousing
2. Research and development centre
3. Tool room
4. Test lab
5. Maintenance and parking of machinery
6. Weigh bridge
7. Cable TV network