

TELANGANA STATE INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED

(A Government of Telangana State Undertaking)

Circular.no.7/AMW/Extension of Time/2017

Dt: 13/03/2017

Sub: Granting Extension of time for implementation of project for the implementation of project by the Industrial units in the allotted plots / land in Industrial Parks / SEZs – Guidelines - Issued – Reg.
Ref: Minutes of the 11th Board meeting of TSIC held on 02/02/2017.

<<oOo>>

In the Allotment Regulations 2012, guidelines were issued for restoration of allotment and granting of extension of time up to period of (5) years for implementation of projects duly collecting delay condonation fee to the allottee entrepreneurs who could not implement their projects within the stipulated period of time as per the terms & conditions of allotment and Agreement for sale on various reasons.

In 2013, Corporation has introduced an exclusive Scheme with specific guidelines for granting of extension of time vide Circular.no.412/AMW/2013 dated 20/04/2013. This Scheme was valid up to 30/06/2015 and the same could not be continued further in view of the orders of the Hon'ble Supreme Court in CA.No.2426 of 2015. The Corporation has therefore referred this matter to the Government and the Government has issued orders to implement the EoT Scheme with new guidelines.

As per the orders of the Government and approval of the Board, in its 11th meeting held on 02/02/2017, a new EoT policy with revised guidelines for granting of EoT to the industrial units as a last and final chance in respect of all old cases (from inception to 31.03.2017, i.e., expiry of two years stipulated period for implementation of the project as per the agreement on or before 31/03/2017) are herewith communicated along with prescribed formats to the Zonal Managers for obtaining and submitting EoT proposals of allottee entrepreneurs to the Head office.

The Zonal Managers shall give broad publicity of the Scheme and ensure that, all non-implemented cases (including the cases that have been granted EoT earlier) are fully covered under this Scheme.

On receipt of requests from the allottee entrepreneurs, the Zonal Managers shall obtain EoT applications from the allottee entrepreneurs in the prescribed format along with notarized undertaking towards definite timelines for implementation of project and shall submit the consolidated proposals along with individual check slip and his/her recommendations to the Head office for examining by the EoT committee.

The EoT committee will be convened once in a month in the first week on Thursday during the convenient office hours for examining the proposals received case by case and submitting its recommendations to the VC&MD for approval of EoT / specific period of EoT/ rejection to the allottee. The maximum period of EOT to be considered shall not exceed 2 years time in any case.

The EoT guidelines are as follows:

- a) All proposals under this scheme shall be referred to Head Office.
- b) These revised guidelines are applicable for the allotments wherein the allottees requested for extension of time beyond the stipulated period including the cancelled allotments or the purchasers of the plot / land from the original allottee.
- c) The cases, wherein the possession of land is already resumed are not eligible.
- d) The cases wherein the allottee who have filed court cases come forward to withdraw the court case seeking EoT orders, their request could be examined for EoT subject to submission of necessary documentary proof thereof.
- e) The allottees should furnish their proposals along with the notarized undertaking in the prescribed formats duly attested by the proprietor/partners/authorized representatives of the company in presence of two witnesses with full details/address and timelines for implementation of the projects.
- f) The period of extension shall be specifically approved by the VC & MD in each and every case.
- g) Zonal Managers should monitor the progress made by units in implementation of project periodically where EoT is granted and shall furnish quarterly status reports on stage of implementation of the projects duly verifying the timelines with ground position given by the allottees. In case of failure to adhere to the timelines given by the allottees, action should be initiated to withdraw EoT orders and for cancellation/resumption of premises

immediately. Timely action is requested by all the ZMs in all EoT sanctioned / rejected cases.

The following are the scenarios and delay condonation fee structure to be followed in cases wherein EoT is considered under the revised scheme:

SCENARIO 1:

Delay in implementation of project over and above 10 years period from the date of completing the stipulated period of agreement:

<i>Stage of implementation</i>	<i>Large Scale Industry</i>	<i>Medium Scale Industry</i>	<i>SMEs</i>
Vacant and Idle	30% of the prevailing land cost	20% of the prevailing land cost	15% of the prevailing land cost
Partially implemented but did not commence regular production	25% of the prevailing land cost	15% of the prevailing land cost	10% of the prevailing land cost
Implemented unit where there is delay in commencement of regular production	15% of the prevailing land cost	10 % of the prevailing land cost	5% of the prevailing land cost

SCENARIO 2:

Delay in implementation of project between 5 and 10 years period from the date of completing the stipulated period of agreement:

Stage of implementation	Large Scale Industry	Medium Scale Industry	SMEs
Vacant and Idle	15 % of the prevailing land cost	12 % of the prevailing land cost	10% of the prevailing land cost
Partially implemented but did not commence regular production	12% of the prevailing land cost	10% of the prevailing land cost	8% of the prevailing land cost
Implemented unit where there is delay in commencement of regular production	10% of the prevailing land cost	8% of the prevailing land cost	3% of the prevailing land cost

SCENARIO 3:

Delay in implementation of project below 5 years from the date of completing the stipulated period of agreement:

Stage of implementation	Large Scale Industry	Medium Scale Industry	SMEs
Vacant and Idle	12 % of the prevailing land cost	10 % of the prevailing land cost	7% of the prevailing land cost
Partially implemented but did not commence regular production	10% of the prevailing land cost	8% of the prevailing land cost	5% of the prevailing land cost
Implemented unit where there is delay in commencement of regular production	8% of the prevailing land cost	5% of the prevailing land cost	2% of the prevailing land cost

SCENARIO-4:

In cases, where EoT is earlier granted to the entrepreneurs for implementation of project and in compliance with EoT terms & conditions, the entrepreneur has paid penalty amount but could not implement project within the EoT period granted and requested for granting further EoT, all these cases will be examined by the EoT Committee and on approval of granting of EoT, penalty amount is proposed as follows irrespective of classification. No concessions will be allowed for these cases.

Period of EoT	Penalty
Above 3 years up to 4 years	4 % of the prevailing land cost
Above 2 years up to 3 years	3% of the prevailing land cost
Above 1 year up to 2 years	2% of the prevailing land cost
For 1 year and below 1 year	1% of the prevailing land cost

This EoT scheme will be closed on **31/12/2017**. Thereafter, all cases of granting extension of time after expiry of (2) years stipulated period shall be examined and considered at Head office by VC&MD on case to case basis through file circulation for a maximum period of 3 years (excluding 2 years stipulated period as per the agreement) in terms of Allotment Regulations 2012 subject to payment of revised penalty amounts as follows:

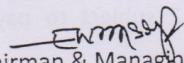
Period of EoT	Large Scale Industry	Medium Scale Industry	SMEs
Above 2 years and upto 3 years	15 % of the prevailing land cost	10% of the prevailing land cost	5% of the prevailing land cost
Above one year and upto 2 years	10% of the prevailing land cost	5% of the prevailing land cost	3% of the prevailing land cost
Upto 1 year	5% of the prevailing land cost	3% of the prevailing land cost	2% of the prevailing land cost

General Conditions:

1. In all cases of cancellation, restoration fee shall be levied @ 1% of the prevailing land cost.
2. Further, during the EoT considered period, only NoCs will be given to Banks/Financial institutions on sanction of term loan for implementation of projects. Sale deed will not be executed and registered till the project is implemented in full by the entrepreneur as entrepreneur has given an Undertaking for implementation of project within the EoT granted by the Corporation.
3. For SC /ST /BC /Women /Minority category allottee entrepreneurs, one time concession of 30% will be allowed on the penalty amount only under this new Scheme. Further, no concession in payment of penalty shall be allowed for second and subsequent EoT.

The Zonal Managers are requested to take immediate action in the matter as per the guidelines now communicated.

Encl: Format of EoT application and Undertaking.


Vice Chairman & Managing Director

To

1. All Zonal Managers
2. The Chief Engineer, Head office.
3. The Chief General Manager (AM), Head office.
4. The Consultant (AM), Head office.
5. The Consultant (Projects), Head office.
6. The General Manager (LAC), Head office.
7. The General Manager (law), Head office.
8. The Manager (Finance), Head office.

Copy to Chairman Peshi/ VC&MD Peshi