

Allotment / Documentation / Possession

Draft Guideline / Procedure for Allotment of Industrial Plots in Defence Corridor, UPEIDA

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Contents

1	Marketing and Advertisement Proposal	3
2	Application.....	4
3	Processing of Applications	5
4	Approval of Allotment.....	5
5	Rejection of Applications.....	7
6	Issue of Allotment Letter	7
7	Allotment for Uses other than Industrial Purpose	8
8	Reservation Money	8
9	Acceptance of Reservation Money after Due Date	9
10	Recovery of Balance Premium	9
11	Execution of Lease Deed	9
12	Possession of Plots.....	10
13	Variation in the Area of Plot at the Time of Possession	10
14	Approval of Building Plans.....	11
15	Subletting of Industrial Plots	11
16	Change of Plot	13
17	Change of Project	14
18	Addition of Product	14
19	Establishment of Unit Number – 2.....	14
20	Transfer of Lease Deed to the Lessees.....	16
21	Permission for Joint Mortgage	16
22	Permission for Creation of Second Charge	16
23	Miscellaneous	16

Draft Guideline / Procedure for Allotment of Industrial Plots

All the companies defined as Defence and Aerospace (D&A) sector, products and units, under Uttar Pradesh Defence and Aerospace Units and Employment Promotion Policy 2018, will be eligible for allotment of defence industrial lands in the Uttar Pradesh Defence Corridor.

Normally applications for defence industrial plots for the nodes under the defence corridor i.e. Jhansi, Chitrakoot, Aligarh, Kanpur, Agra and Lucknow shall be received only against advertisements published after approval of Chief Executive Officer (CEO) of UPEIDA. However, as an exception in the following cases, applications can be received even without advertisements:

- (a) Applications by Joint/ Assisted Sector organizations of Central Govt./ State Govt.
- (b) Applications referred under any programme operated by institutions /undertakings promoted by Central/State Government
- (c) Applications by Joint/Assisted Sector units of financial institutions of Government of UP
- (d) Applicants by units with proposed projects investment of Rs. 100 crores or more
- (e) Applications by 100% export oriented units
- (f) Applications by NRI entrepreneurs/units proposed to be established with foreign capital investment

The applications fulfilling any of above requirements may be accepted without advertisement and shall be forwarded by the Allotment Committee with recommendations clearly mentioning the category to be approved by CEO of UPEIDA on merits.

Note: The land allotment to the government bodies like OFBs shall be restricted to not more than 50 percent of the total land available under the defence corridor.

Allotment Committee will be responsible for land allotments and its members as decided by Board in its 44th meeting dated 11.02.2019 are as under:

1. ACEO
2. Financial Controller
3. Sr. Defence Advisor
4. Defence Advisor
5. Raksha Visheshagya
6. Officer on Special Duty (Land Acquisition)
7. Town Planner (Representative for Town Planning)
8. Procurement Advisor
9. Representative from industries department (not below the rank of Sp. Secretary)

All decisions of the allotment committee will be approved by CEO, UPEIDA.

Applications not falling in above categories and made shall be returned back to the applicant within seven days advising him to apply as and when advertisements are published.

1 Marketing and Advertisement Proposal

Procedure for allotment shall be initiated only after approval of CEO, UPEIDA after sanctioning of layout plan and fixation of rate of premium of the land by an in-house team as nominated by CEO, UPEIDA. .

Normally only those plots shall be taken up for marketing which have tracings based on actual measurements, free of any stay or dispute or encroachment and are not already allotted.

Allotment Committee shall periodically prepare a marketing proposal for the vacant plots. The proposal shall include

- a) List of plots available for allotment
- b) Advertising /other promotional proposals
- c) Drafts of advertisement in minimum possible space from advertising agencies, media plan and cost
- d) Prevailing rate (with proposal for change if any)
- e) Proposal for distribution and receipt of forms i.e. whether through UPEIDA office or website.
- f) Proposal for processing method, allotment committee, dates for processing
- g) The advertisement shall be made in national and widely circulated newspapers in the areas concerned. There shall be a roaster system for advertisement in newspapers

Advertisement shall be published only when the marketing proposal is duly approved by CEO, UPEIDA.

Note: Allotment committee shall ensure that all the advertisements along with other relevant details are displayed on the website of UPEIDA.

2 Application

Interested entrepreneurs have to apply for industrial plots on prescribed form in duplicate. He should clearly refer the advertisement against which the application has been made. The application form can be purchased from the location mentioned in the advertisement. The cost of the form is Rs. 1000/-

Along with the application, following documents duly authenticated should be submitted in duplicate

- a) Project profile duly signed by the applicant – compulsory to mention below details of the proposed project
 - a. Applied area (in Sqm)
 - b. Name of proposed project/ product – the products must be related to Defence sector
 - c. Total cost of project (in lacs) along with means of financing
 - d. Project financials
 - e. Total employment to be generated
 - f. Power load requirement
 - g. Details of income tax returns submitted / filed in previous three years (TAN and Aadhar, if applicable)
 - h. Certificate issued by Directorate of Industry and Export Promotion council in case of 100% export oriented unit (EOU)
- b) Application fee and earnest money as desired in the advertisement or as detailed in the application form has to be deposited through demand draft/ NEFT/ RTGS drawn in favour of UPEIDA and payable at Lucknow. Details are as under:

Application Fee (Non-Refundable)

Rs. 2,000/- – Up to area of 1 acre (4046.86 Sqm)

Rs. 5,000/- from 1 acre to 5 acres (4046.86 Sqm to 20234.3 Sqm)

Rs.10,000/- above 5 acres (20234.3 Sqm))

Earnest money:

10% of the total premium of the plot on the advertised rates/rate prevailing at the time of application.

- c) Proposed land utilization plan in duplicate, duly signed by the applicant. The allottee should cover minimum 40% of allotted area.
- d) Documents pertaining to the status of applicant (in duplicate) who could be partnership firm, registered society, private limited company or public limited company. In case of
 - a. Partnership Firm: Copy of partnership deed duly notarised
 - b. Registered Society: Certificate of Registration, Bye Laws of society certified by Secretary/Chairman of society, List of members with their addresses
 - c. Private Limited Company: Certificate of Incorporation, Memorandum and Articles of Association, list of shareholders and directors along with their shareholdings authenticated by CA
 - d. Public Limited Company: Certificate of Incorporation, Memorandum and Articles of Association, list of directors and their shareholding authenticated by CA

3 Processing of Applications

- (i) On receipt of application it will be first entered in the receipt register. The application will then be put up before the concerned officer
- (ii) Non-submission of the application or the draft shall not be entertained further.
- (iii) The bank draft received against the earnest money and application fee shall also be encashed before processing of the allotment application.
- (iv) Allotment committee shall decide whether an incomplete application is to be rejected or whether the applicant is to be asked to complete the shortcomings. The decision shall be based on time available, nature of shortcomings etc. and shall apply for all applicants.

4 Approval of Allotment

A. Defence Industrial Plots up to 0.5 Acre (2000 Sqm)

The allotment of plots up to 2000 Sqm shall be made through computerized draw of lots. Application form filled up in all respect will be scrutinized and the forms qualifying will be included for draw of lots which could be phase wise and area wise. Successful applicants will be issued allotment letter with the approval of CEO, UPEIDA.

Unsuccessful applicants will be refunded the earnest amount deposited without interest within three months from the date of draw of lots.

B. Defence Industrial Plots Larger than 0.5 Acre 2000 Sqm

After submission of required application fee and earnest money deposit, allotment committee shall verify all the documents submitted by the applicant. After verification of the documents of the

interested applicant, allotment of plot will be done on the basis of criteria as decided by UPEIDA and mentioned in the table below. The allottee scoring the highest mark will be allotted the desired plot

Criteria for Land Allotment				
Sr. No.	Parameters	Marking Criteria	Marks	Maximum Marks (100)
1	Proposed capital investment on Building construction and machinery components.	Up to 2 times of the investment on land	5	20
		Up to 3 times of the investment on land	10	
		Up to 5 times of the investment on land	15	
		More than 5 times of the investment on land	20	
2	Direct employment generation	More than 250	10	20
		More than equal to 200 less than equal to 250	8	
		More than equal to 150 less than equal to 200	6	
		More than equal 100 to less than equal to 150	4	
		More than equal to 50 less than equal to 100	2	
		Less than 50	0	
3	Relevant Defence Sector Experience of supplying to GoI or any government agency, any foreign defence companies or OEMs	Supply Orders for D&A Sector	1	20
		Up to INR 10 crores	5	
		Greater than INR 10 crores and up to INR 20 Crores	10	
		Greater than INR 20 crores and up to INR 50 Crores	15	
		Greater than INR 50 Crores	20	
4	Demand of additional land in same Industrial Area or Augmentation of Units	Size of land	10	10
6	100% upfront payment of lease premium the total land premium	At the time of registration	30	30
		Payment within 3 years from date of allotment	25	
		Payment within 10 years from date of allotment	20	
		Payment within 30 years from date of allotment	15	

Note: –

- Whenever the allotment is made by joining plots, the plot would be considered amalgamated. Normally the application for the size of individual plot shall hold precedence (preference) over the combined allotment. The case of application for combined plots can be only considered with specific reasons justifying such consideration and shall be got duly and separately approved from CEO, UPEIDA.

2. Wherever slab or specific rates are applicable in case of combined allotment, the rates shall be worked out separately on the basis of individual plot and then summed up together.
- 3.
4. An amalgamation fee will be charged by UPEIDA as decided by the Allotment Committee and approved by CEO, UPEIDA

5 Rejection of Applications

The application of allotment of plots maybe rejected by the allotment committee on the following grounds:

- a) If the proposed type of industry is banned by the government in any specific Area/Region
- b) Non-submission of documents as listed in para 2.0 even after request in writing to do so
- c) For any other reason in conformity with the policy of the government and UPEIDA as framed from time to time
- d) If the applicant is not found fit for establishing unit by the Allotment Committee

6 Issue of Allotment Letter

- (i) The allotment of the plot will be made initially on leasehold basis for a period of 30 years from the date of execution of lease deed and may be extended up to 90 years on case-to-case basis after expiry of the 30 year lease period, subject to approval of CEO, UPEIDA.
- (ii) A copy of minutes of the Allotment Committee approved by CEO, UPEIDA, shall be kept in each allotment file. The noting containing the proposal for allotment should clearly refer to the decision or relevant portion of minutes.
- (iii) After ensuring the above procedure, allotment letter of the plot shall be issued within 30 days from the date of approval by the competent authority.
- (iv) The allotment letter shall be sent only by registered post with acknowledgement due. Allotment letter can also be delivered to the allottee in person from the office upon his request in writing.

Officer authorized by UPEIDA will issue the formal allotment letters of land of all industrial plots.

Fixation of Premium for Anchor Defence and Aerospace Units (as defined under Uttar Pradesh Defence and Aerospace Units and Employment Promotion Policy 2018)

The premium for the industrial plots for anchor units will be calculated as:

Total premium (A) for the Applicant = B + C

B = Purchase price of land (by UPEIDA) – 25% of Purchase price

C = Development charges (2% of the Purchase price of the land by UPEIDA)

Fixation of Premium for Industrial Plots other than Anchor Defence and Aerospace Units (as defined under Uttar Pradesh Defence and Aerospace Units and Employment Promotion Policy 2018)

The premium for the industrial plots other than anchor units will be calculated as:

Total premium (A) for the Applicant = B + C

B = Purchase price of land (by UPEIDA)

C = Development charges (2% of the Purchase Value of the land by (UPEIDA)

The same will be mentioned in the advertisement published for allotment of industrial plots.

7 Allotment for Uses other than Industrial Purpose

Allotment of plots can be made for uses other than industrial purposed in the manner detailed below. Allotments in these can be made only upon the approval of Head Office. Proposals for such allotment should clearly mention about the availability / previous allotments of the facility whose allotment is being proposed, in the industrial area under consideration.

(i) **Power Substation**

Allotment of land to UPSEB can be made free of cost on their request subject to following limits:

33/11 KV – 2,000 Sqm *

132 / 33 KV – allotment can be made on prevailing premium after assessment of land requirement as per demand.

* Beyond this limit premium shall be charged at the normal rate

(ii) **Fire Station**

Allotment can be made free of cost on request of the department. However, area shall be limited between 1000 to 3000 Sqm. Beyond this limit, prevalent premium shall be charged.

(iii) **Telephone Exchange**

After assessment of land requirement as per demand, normal industrial rate of premium shall be charged

(iv) **Hospital / Dispensary**

Land can be allotted at current rate prevailing on the date allotment for above purpose subject to assessment of land requirement as per demand to E.S.I. Hospital / Dispensary

(v) **Allotment of Land to Association**

Land admeasuring 500 Sqm can be allotted to representative association of Industrial Area on industrial rates. The purpose of this allotment shall be only for holding meetings and other association activities. Commercial use of the plot by association or its subletting will render the allotment liable for cancellation.

(vi) **Allotment of Land for Residential Purpose**

Industries must take care of the residential areas within the allotted industrial land ensuring that the land utilization is met as per the project plan submitted by the company for the allotment of the industrial land.

8 Reservation Money

Reservation money shall be 20% of the total premium of the plot. The allottee will be required to pay the same after adjusting earnest money already paid, within the period as specified in the allotment letter which is normally 60 days from date of allotment. If the due date so specified is a public holiday, the next working day shall be last date for payment of reservation money.

9 Acceptance of Reservation Money after Due Date

On request of the allottee, Allocation Committee may extend the date for payment of reservation money along with interest at prevalent rate without allowing any rebate up to 30 days from the expiry of due date. The maximum time limit to be allowed by UPEIDA shall not be beyond 90 days from the date of allotment. Reservation money cannot be accepted beyond above time-limit without approval of CEO, UPEIDA and allotments shall be treated as cancelled.

If the premium is revised before extension of time, an extension of 30 days with interest on revised premium without rebate shall be allowed.

If the reservation money amount has been sent by the allottee through the bank draft purchased within the stipulated period but the same is not received by UPEIDA within stipulated time as per allotment letter or ask for extension given, the payments shall first be adjusted towards interest payable and thereafter towards the reservation money and the balance reservation money can be accepted by UPEIDA subsequently.

10 Recovery of Balance Premium

The balance 80% of the premium shall be recovered in the following manner

Purchase Type	Reservation Money	Payment of Balance Lease Premium (Years)	Pre-Payment Option
Direct Purchase	Option to make Full Payment upfront	NA	5% discount on the cost of land
Instalments	80%	3	Yes
	80%	10	Yes
	80%	30	Yes

Half yearly equated instalments will be calculated at simple interest @ 9.5% per annum on diminishing balance basis. The first such instalment of premium shall be payable after six months of the date of issue of the allotment letter.

In case of delay in repayment of instalments, UPEIDA will charge an additional penal/default for the number of days of delay @ 3% on the overdue premium as per terms executed in the allotment letter.

11 Execution of Lease Deed

The allottees are required to get lease deed executed within 90 days from date of allotment. Necessary action for this shall be taken by the concerned officer. Calculation of stamp duty should be made in accordance with the state policy. However, the allottee shall confirm the stamp duty from the concerned Sub registrar so as to avoid any confusion/future complication.

On receipt of the request of the allottee for execution of lease deed along with documentation fee of Rs. 2000, intimation shall be made about the documents required for its execution and registration within 10 days of receipt of such request.

The documents will then be checked and if it is incomplete, allottees shall be informed about the same within 10 days of the receipt of the documents. If the documents are found in order, allottee shall be

called upon to execute lease deed within 15 days of the receipt of the complete documents. If no response is made by allottee, a 30 days legal notice for execution of lease deed will be sent and action as per terms of the notice will be taken. The concerned officer shall certify that all the conditions laid down by UPEIDA from time to time have been incorporated in the lease deed.

The allottee shall have cleared all defaults, if any, before the execution of lease deed. After the lease deed is executed by the allottee, the same shall be put up before the concerned official along with documentation register for his signatures. CEO in consultation with the allottee shall finalise / fix a date on which the officer authorized will visit the concerned office of Sub-registrar for registration of lease deed. The receipt issued by Sub Registrar shall be kept in safe custody till lease deed is obtained from the Sub Registrar's office by the officer authorized. The lease deed so obtained shall be kept in safe custody with UPEIDA till it is sent to financial institution/party.

The lessee shall not be allowed to sublet the plot/unit. In exceptional cases, the lessee must seek an approval from UPEIDA.

12 Possession of Plots

Lease rent will be payable @ 2.5% of the total premium per year. Default in the payment of annual lease rent shall bear interest incident of 9.5% per annum on the defaulted period.

13 Possession of Plots

- a) The date of possession of plot shall be fixed after registration of lease deed itself.
- b) The dates so fixed shall be intimated to lessee along with the second copy of the lease deed and the concerned officer for necessary action on their part through a letter.
- c) Effort shall be made to handover possession within 15 days of the registration of the lease deed in normal practice.
- d) If the lessee fails to take possession even after issuance of two letters, legal notice for the same may be issued and action will be taken accordingly.

14 Variation in the Area of Plot at the Time of Possession

Effort should be made to make allotments after actual area measurements/ tracings. If a variation in the area of the plot as mentioned in the allotment letter and on physical verification of the time possession is found, following shall apply, subject to approval of CEO, UPEIDA:

- a) Where the difference in the actual measured area and the area mentioned in the allotment letter/lease deed is up to 20% on upper side, the premium to be charged for excess area will be the premium prevalent on the date of original allotment.
- b) Whereas if the difference is more than 20% on upper side, the premium applicable on the excess area shall be at premium applicable prevailing on the date of communication of excess found area to the lessee. The premium of such excess area will have to be paid by Lessee within one month from the date of intimation failing which interest at the prevalent rate

applicable on the date of intimations will be charged from the date of the issuance of such a letter without any rebate.

15 Approval of Building Plans

Before raising the constructions after taking over possession of plot, the allottee is required to seek approval of building plans for which they have to submit the plans to UPEIDA. The building plans must be in conformity with the bye-laws of UPEIDA. The building plans must accompany the fees prescribed under various heads and the documents required. Before examining the said plans, the concerned officer shall ensure that the allottee is not a defaulter towards payment of premium or other formalities. The building plan received shall be examined and approved by the Engineering Division of UPEIDA after ensuring that all the bye-laws requirements of UPEIDA has been followed and map approval fees etc. has been paid. For the approval of building plans following procedures will be followed:

- a) After the receipt of request for approval of the building plans from the allottees, it will be first entered into the receipt register and then it will be marked to the concerned officer.
- b) If the allottee is defaulter in payment of dues, then first, efforts shall be made to recover the dues. For this a letter may be sent to the allottee.
- c) The concerned file along with building plans will be sent to Engineering Division within three days of receipt of the request/clearance of all dues, through concerned officer, for examining the building plans.
- d) If the plans submitted by the allottee are not in accordance with the prescribed norms of UPEIDA, then a letter under the signature of concerned officer will be sent within one week to the allottee for compliance.
- e) If the plan submitted by the allottee are in accordance with prescribed norms of UPEIDA, the file will be put up to the concerned officer along with a report within one week of receipt of the file/removal of objections for the final approval.

The allottee must initiate the construction within 2 months after building plan approval and shall abide to the timelines as submitted in the project report at the time of application.

16 Subletting of Industrial Plots

Permission may be granted to the allottees to sublet their plots/sheds in part or full for setting up industrial units on the terms and conditions as stipulated below:

- a) The specific permission of UPEIDA in writing must be obtained by the allottee before subletting the plot to others.
- b) One or more subletting will be permitted for a maximum period of 30 years and such facility shall be restricted to the cases in which the unit is either running or has run in past
- c) UPEIDA will charge a processing fee of Rs. 2000 and subletting charges/rent @3% of the prevailing premium rate for the Industrial land per sq. mt every year for the area to be sublet and the liability of this payment will be on the allottee/lessee.

- d) The allottee shall have to apply in writing for such permission clearly stating the status / constitution of the proposed sublettee with the details of the unit to be set up by the sublettee along with the project report and other supporting documents.
- e) The allottee shall have to deposit the rent, calculated as per clause C for one year in advance within 30 days of the date of such permission.
- f) A tripartite agreement will be entered into amongst UPEIDA, the lessee and the sublessee. This agreement will ensure that person who has taken the premises on rent will abide by the conditions of our normal lease deed and agreement and shall also make it the joint responsibility of the allottee/ sublettee to pay the subletting charges.
- g) While applying for the permission for subletting, the allottee shall have to submit specific NOC form from the concerned financial institution for each case where the unit on the plot has been financed by financial institution/institutions.
- h) All the constructions standing on the plot at the time of granting the subletting permission and those raised thereafter shall be deemed to have been raised/constructed by the original allottee lessee of UPEIDA only and shall be subject to the provisions of the terms and conditions of the lease deed.

Multiples Subletting to Dedicated Ancillary Units

Multiple Subletting can be allowed in case of dedicated ancillary units established on the plots of Industrial Areas. Dedicated ancillary unit shall mean the unit whose minimum 80% of the annual production (based on value), is sold to original allottee of the plot in question. In such cases subletting fees and other conditions shall be as under:

A. Subletting Fees:

The Corporation shall charge a processing fee of Rs. 2000 per application. Besides above following shall be rate of subletting fees in percentage of the prevailing premium per sq.mtr. per annum.

The minimum and maximum period of such subletting shall be 1 year and 30 year respectively. No part of Annual Subletting fees shall be refunded even if, subletting is determined before end of the year. Period of subletting can be renewed for 1-30 years before expiry of present subletting on request of allottee on the terms and conditions prevalent on the date of such permission.

Other Conditions:

1. No subletting shall be allowed in setback of the plot.
2. Applicable Covered Area and FSI (as defined in the UPEIDA bye-laws) shall remain as per the original plot.
3. The maximum number of multiple subletting to be allowed on a plot shall be equal to the area of plot divided by upper limit of the plot area category preceding the category in which the said plot is falling in the setback chart as defined in the UPEIDA bye-laws.
4. Subletting shall be allowed only on the plots on which unit is running or has run in the past.
5. Allottee shall clear all the outstanding dues of the plot in question before permission of subletting. Similarly it shall also be mandatory to pay the balance premium of the plot in Lump-Sum within 45 days of the application.
6. If the unit under question has been financed by any financial institution then N.O.C form such financial institution for subletting shall be obtained otherwise the allottee shall furnish an affidavit to the effect that unit has not been financed by any financial institution.

7. The construction on the plot, present or future shall be treated as belonging to the original allottee/lessee and shall be governed as per the provisions of the lease deed.
8. Subletting fees of the proposed area to be sublet shall be deposited in advance and its payment shall be responsibility of the allottee.

The documentation in the above case shall be as per normal subletting cases. However, the condition of minimum purchase of 80% of the total production of dedicated ancillary unit failing which the subletting permission shall be withdrawn shall be incorporated in the tri-partite agreement. For confirmation of dedicated ancillary unit, the original allottee and the ancillary unit shall produce the evidence of purchase and sale of minimum of 80% of the purchase of the ancillary unit respectively at the end of every year.

All the requests will be presented to the Allotment Committee and will be subject to approval of CEO, UPEIDA.

Note: The subletting charges are a percentage of prevailing premium and hence it will change if the premium rate of the industrial area changes.

17 Change of Plot

- a) If an allottee has applied for change of plot within the same industrial area due to some reason or other and there are no outstanding dues and plot of required size is available for allotment, his request shall be considered by UPEIDA. In case the request of change of plot is allowed, the date of allotment shall remain the same and he will have to pay interest from the date of original allotment on the original premium up to date of change where from interest would be charged on the premium of the change plot. If the area of the changed plot is more than area of original plot, premium shall be charged in accordance with clause number **12** as mentioned above.
- b) Where for some reason like encroachment, litigation etc. UPEIDA is not able to hand over the possession of the plot, then allottee can be offered alternate plot on following conditions;
 - (i) Alternate plots shall be offered in same industrial area in which the original allotment was made
 - (ii) If the plot is not available in the concerned industrial area, then second priority change in same category of industrial area shall be made subject to availability
 - (iii) If the plot is not available as per above, then third priority change in same category of industrial area shall be made subject to availability
 - (iv) Alternate plot area shall be the same size as mentioned in allotment letter and in any case it shall not be more than 20% of the original allotted area
 - (v) Current premium shall be applicable for the alternate plot and difference of the current premium shall be considered for determination of premium
 - (vi) Dues on the original allotted plot till the change of alternate plot shall be paid by the allottee. If the original premium of the plot is more than premium of alternate plot, then excess amount shall not be refunded rather it shall be adjusted against the dues of the plot
 - (vii) All the terms and conditions of allotment of the change in industrial area shall be applicable as prevalent on the date of change

- (viii) The allottee will have to get a fresh lease deed executed even if lease deed of the original plot was executed
- (ix) If allottee has made any construction on the original plot the same shall not be compensated by UPEIDA
- (x) The alternate plot shall be changed only on the receipt of consent of the allottee on the above terms and conditions

18 Change of Project

If the allottee/Lessee desires to change his project at any stage after allotment then he can do so by submitting the following documents to UPEIDA

- a) Project report in duplicate signed by allottee
- b) An affidavit duly signed and notarised to the effect that
 - (i) New project must be related to defence sector
 - (ii) New project will require a minimum covered area of 40% of the plot area
 - (iii) Allottee will arrange to obtain NOC from pollution control Board within six calendar months or the start of production whichever is earlier and submit a copy thereof to UPEIDA

The allottee shall apply for change of project giving reasons along with copies of the self- attested project reports and the matter shall be referred to allotment committee for decision.

19 Addition of Product

If the allottee/lessee has implemented the project for which the land was allotted and desires to manufacture additional product/implement under the same constitution, then he can do so by submitting the following documents

- a) Project report in duplicate signed by allottee
- b) An affidavit duly signed and notarised to the effect that
 - (i) Constitution / ownership is same as given in the license/lease
 - (ii) Additional project/items must be related to defence sector
 - (iii) Allottee will obtain NOC from Pollution Control Board and submit the same within six months or the start of production whichever is earlier
 - (iv) Allottee will submit Udyog Aadhar Memorandum /IEM and submit the same within 90 days of its application
 - (v) The total covered area on the plot shall not exceed the permissible limits

20 Establishment of Unit Number – 2

21 The permission for installation of more than one industrial unit on a plot of land, in case the same are proposed to be set up by the same allottee under the same constitution or firm or the company may be granted by the CEO, UPEIDA only. The second unit also must be related to defence sector.

Transfer of Lease Deed to Financial Institution

In case the lease deed is required by any financial institution or bank recognized by RBI with a request to permit equitable mortgage, the same shall be sent to them permitting creation of the equitable mortgage, provided:

- a) The request has been made in writing by the concerned financial institution/ bank as well as the lessee. The financial institution shall clearly mention that a loan has been sanctioned for the project approved by UPEIDA specifying quantum of sanctioned loan and they need it to secure their loan amount
- b) The financial institution undertakes to pay the balance premium, if any, of the plot under question along with interest till receipt of the payment. Alternatively, if the financial institution is ready to pay only premium portion, then the allottee will be required to pay three months advance interest on the balance premium. If the financial institution does not undertake to pay the premium/interest as above, the same shall be paid by the allottee
- c) In case it is proposed to send the lease deed to any banks for mortgage, full payment of balance premium along with outstanding dues shall be paid beforehand either by bank or the allottee
- d) In case the plot is fully paid, UPEIDA may send the lease deed to financial institution for securing its interest against other facilities provided to the allottee like cash credit limit, working capital etc.
- e) The loan has been sanctioned for the existing/proposed unit on the plot
- f) The loan has been sanctioned to the allottee and not to his/her sister firm/concerns/sublettee

In no case, lease deeds will be transferred to any financial institution if the allottee is defaulter in making the payment of dues of UPEIDA. While sending lease deed to the financial institutions, it shall be ensured that:

- a) Entry of this fact in the register kept for this purpose is made
- b) The amount to be received from the financial institution in the covering letter is clearly mentioned
- c) The date by which payment is to be received from financial institution is also shown clearly
- d) The following conditions are included:
 - (i) That permission for mortgage is valid against the concerning financial institution only and on repayment of loans/ termination of facility to the Lessee. Lease deed shall be returned to UPEIDA only and shall in no case be handed over to the Lessee/other financial institution. If this clause is violated the permission of mortgage shall stand automatically rescinded without any notice
 - (ii) That permission for mortgage will cease to have any effect if payment is not made within stipulated period
 - (iii) That mortgage permission is subject to conditions of the lease deed. Format of the covering letter to be sent
 - (iv) In case the FI/bank directly or by intervention of district authority/DRT/any other court take action for auction of the plant to recover the dues then prior notice shall be given to UPEIDA. While dues, if any, shall remain the first charge additionally transfer levy etc. shall be payable by the auction purchaser
 - (v) It shall be clearly mentioned in the letter forwarding the lease deed to bank/financial institution that before taking any action as mortgagee, UPEIDA shall be informed

beforehand and it's NOC shall be obtained so as to recover its dues and enforce the applicability of transfer levy. Otherwise any sale/auctions / transfer made by bank/ financial institution shall not be recognised by UPEIDA.

22 Transfer of Lease Deed to the Lessees

In case lease deed has been executed and the premium of the plot is fully paid, the lease deed under question may be transferred to the lessee for safe custody on his request in following conditions:

- a) There are no dues against the plot
- b) The unit is operational
- c) Duplicate copy of the lease deed is deposited with UPEIDA by Lessee
- d) An undertaking in writing is submitted by the lessee
- e) There is no charge against the plot

After the request of the lessee is received for transfer of lease deed as above, it will be first entered into the receipt register and then it would be put up before ACEO who will mark it to the concerned person. The concerned dealing officer will check that requested is accompanied by duplicate copy of the lease details and undertaking. If it is not so, the same shall be asked for within 10 days of the receipt of the request. On receipt of the complete documents and ensuring that there are no dues against the plot, the lessee will be asked to collect the lease deed. The original lease deed shall be handed over to the lessee with letter within one week from the date of the company documents are received/formalities are complete and after a record of it in the register. The lessee cannot mortgage the lease deed for any purpose without prior written permission of UPEIDA.

23 Permission for Joint Mortgage

In case more than one financial institutions are involved in financing the project, joint equitable mortgage can be allowed by UPEIDA. For this one financial institution will work as a lead institution with whom lease deed will be mortgaged. Other financial institution will have pari-passu charge over the plot for which all of them have to agree in writing and approval must be obtained from UPEIDA before such permission is granted. In this case, all the conditions of transferring lease deed to financial institution as mentioned earlier shall apply except that the financial institution under question will be joint mortgagee.

24 Permission for Creation of Second Charge

Permission may be accorded in following cases:

- a) If the payment are up to date and the allottee applies to any financial institution / bank for sanction of loan/working capital for the unit set up/proposed to be set up over the plot
- b) If the first charge has been created in favour of any financial institution/bank who has made full payment to UPEIDA, second charge for another financial institution/bank may be noted provided the first FI/bank gives its no objection for creation of second charge

25 Miscellaneous

The allotment process shall be governed by, and construed in accordance with, the laws of India and the Courts at Lucknow shall have exclusive jurisdiction over all disputes arising under, pursuant to and/or in connection with the allotment.