

POLICY FOR SUBLETTING INDUSTRIAL PLOTS

(1) SUBLETTING OF INDUSTRIAL PLOTS TO ANY ENTREPRENEUR

Permission may be granted to the allottees to sublet their plots including established unit in part or full for setting up Industrial units in the Industrial Areas of Corporation on the terms and conditions as stipulated below:-

- I. The specific permission of SIIDCUL, in writing must be obtained by the allottee before subletting the plot to other entrepreneur(s). SIIDCUL reserves the right to grant/conditionally grant or decline the permission in such cases.
- II. One or more subletting will be permitted for a maximum period of 15 years only and such facility shall be restricted to the cases in which the unit is either running or has run in past. No sub-lease of open area shall be permitted. However such restrictions shall not be applicable in cases where the plot is being sub-let to Govt./Semi-Govt organisations/institutions, Govt Projects etc.
- III. SIIDCUL shall charge a processing fee of Rs. 10,000/- and subletting charges/ rent @ 5% of the prevailing premium rate for the Industrial land per sq. mtr. every year for the area to be sublet and the liability of this payment will be on the allottee/lessee.
- IV. 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 alongwith the project report and other supporting documents including NOC from Pollution Control Board and SIDA.
- V. The allottee shall have to deposit the rent, calculated as per above clause no. III for one year in advance, within 30 days of the date of such permission.
- VI. A tripartite agreement will be entered into amongst SIIDCUL, the Lessee and Sublettee as per the prescribed format, which will contain all terms and conditions of such subletting making the same binding on all the executants. 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 shall also make in the joint responsibility of the allottee/sublettee to pay the subletting charges.

- VII. The original allottee shall have to clear all outstanding dues in respect of land/shed towards premium, interest, O&M charges and lease rent. The allottee shall also pay the total balance premium, if any, in lump sum, within 30 days from the date subletting permission is granted by SIIDCUL.
- VIII. While applying for the permission for subletting, the allottee shall have to submit specific NOC from the concerned financial institution for each case where the unit on the plot has been financed by financial institution/Institutions.
- IX. 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 SIIDCUL only and shall be subject to the provisions of the terms and conditions of the lease deed.

(2) MULTIPLE SUBLETTING TO DEDICATED ANCILLARY UNITS

Multiple Subletting can be allowed in case of dedicated ancillary units established on the plot 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. 10,000/- per application. Besides above 6% of the prevailing premium per Sq Mtr per year shall be applicable rate of Subletting .

The minimum and maximum period of such subletting shall be 1 year and 15 years 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 1-15 years before expiry of present subletting on request of allottee on the terms and conditions prevalent on the date of such permission.

B. Other Conditions:-

1. The specific permission of SIIDCUL, in writing must be obtained by the allottee before subletting the plot to other entrepreneur(s). SIIDCUL reserves the right to grant/conditionally grant or decline the permission in such cases.
2. Subletting shall be allowed only in the cases in which unit is running or has run in the past. No sub-letting of open area shall be allowed.
3. Allottee shall clear all 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.
4. 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 product to be manufactured up by the sublettee alongwith the project report and other supporting documents including NOC from Pollution Control Board and SIDA.
5. 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 the unit has not been financed by any financial institution.
6. 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.
7. Subletting fees of the proposed area to be subletted 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 80% of the produce of the ancillary unit respectively at the end of every year.

All Regional Managers are required to process such request and forward individual cases to Head Office along with their recommendations so that the

matter may be decided by M.D. who has been authorized by the Board in this regards.

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