SIPCOT

**STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADULIMITED**
**19-A, Rukmani Lakshmipathy Road, Egmore, Chennai–600008.**

**O.O.No. 22/2024** **Dated:17.10.2024**

**OFFICE ORDER**

Sub: Issuance of "No objection Certificate" to mortgage the lease hold rights of the allotted plot in favour of Bank / Financial Institution for availing financial assistance to implement the project - Instructions issued – Reg.

Ref: SIPCOT Office Order No.21/2021, dt.12.03.2021 (copy enclosed)

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In the reference cited, detailed procedure for issuance of "No objection Certificate (NoC)" to mortgage the lease hold rights of the allotted plot in favour of Bank / Financial Institution for availing financial assistance to implement the project were enumerated. However, instances were noticed that there is delay in issue of NOC due to want of additional particulars from the allottee besides report from the Project Officers concerned.

In order to expedite the issue of NOC and facilitate the allottees to avail the credit facilities from the Bank / Financial institutions in time, henceforth the applications received through online for issue of "No Objection Certificate" shall be processed adopting the following procedure and the Project officers shall intimate the same to their allottees in this regard.

IT Department may make suitable provisions in the software with Alert Notification with viewing option to Projects Department at Head Office.

1. **List of Documents:**

1.1 Bank /Banks (in case of consortium) sanction letters with full details including terms and conditions as detailed below:

a. The applicant shall highlight the SIPCOT property to be mortgaged with Clause No. and page No. in Bank's sanction letter.

b. In case of consortium of Banks, highlight the SIPCOT's property to be

mortgaged with Clause No. and page No. in all Bank's sanction letter.

1.2 No Due /No Objection Certificate from the existing Bank/Financial Institution.

1.3 List of Directors and current shareholding pattern of the company including Holding Company if any, upto individual level duly certified by a Chartered Accountant / CPA. The CA/CPA certificate should have been obtained within 90 days prior to the submission of application for NOC.

1.4 Copy of renewal of Letter of Acceptance (LoA) from MEPZ in respect of SEZ units.

1.5 Commercial Invoice of Operation with the invoice at least within 90 days before the date of application for those allottees which are functioning as per the interpretation of the allotment orders, or / and based on the EOT granted by SIPCOT.

**2. Role of Project Officer:**

2.1 On receipt of application for NoC, the Project Officer concerned shall scrutinize the same and ensure whether all the documents are attached as per the checklist enclosed.

2.2 In case, the allottee has not enclosed any of the documents and/or the allottee has any dues payable to SIPCOT, the same shall be communicated to the allottee (within 3 Days from the date of receipt of application) to furnish the missing documents and remit the dues within 7 days from the date of receipt of communication (with a copy to concerned Project Department at Head Office).

2.3 Simultaneously the Project Officer shall forward the documents furnished by the Allottee w.r.t Sl. no 1 in the list of documents to Head office within 3 Days from the date of receipt of application by creating an E Office File in this regard.

2.4 The Project Officer has to follow up with the Allottee to furnish the details called for along with the additional details called for by Head Office, on the expiry of 10 Days from the date of application and ensure the allottee adheres to the timelines.

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2.5 If the allottee fails to furnish the documents/clear the dues even after follow up by the Project officer, the Project Officer shall forward the documents submitted along with their recommendation letter to close the application on the expiry of 15 days (from the date of application) along with the reasons for closure.

2.6 The Project Officer shall forward a "No Due Certificate" duly certified by the Project Officer stating that Allottee has remitted all the dues and as on the date of certificate No Dues is pending from the allottee along with the list of documents (as per Sl. No 1) obtained from the allottee to the concerned Project Department at Head Office (by at least 15 days from the date of application) through the same E Office File (received from Head Office) for further processing and issue of NoC. Further, the Project Officer has to forward a copy of the latest monthly status report relating to the allottee submitted earlier ( i.e. monthly status report sent within 30 days prior to the date of application)

**3. Role of Project Department at Head office:**

3.1 On receipt of documents from the Project Officer w.r.t Sl. no. 1.3 in the list of documents, the concerned Project Department has to check whether there is any change in management or not.

3.2 If the details furnished is inadequate, the Project Department shall within 3 Days from the date of receipt of particulars from the Project Officer through E Office File, intimate the allottee to furnish the additional particulars within 7 Days from the date of receipt of communication (with a copy to concerned Project officer) and return back the E Office File to the Project Office.

3.3 In case the allottee fails to provide the additional information within 7 days of 3.2, the NoC application may be closed upon receipt of the recommendation letter for closure from the Project Officer and the same may be intimated to the allottee within 3 days by the concerned Head of the Project Department.

3.4 On receipt of details from the Project Officer as mentioned in Sl. No. 2.6, the Project Department has to process the application for NoC and the concerned

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Head of Project Department shall issue the same within 5 Days, provided there is no change in management in the allotted unit.

3.5 In case of change in management, the allottee may be intimated by the Head of concerned Project Department to remit the transfer fees by email and initiate further action in this regard. The application for NoC will be closed accordingly and the allottee has to apply afresh for NoC on settlement of the change in management issue.

3.6 The E Office File created in this regard shall be merged with the Allottees main file at Head Office.

**4. Timeline:**

I. **In case the allottee has furnished the application along with the list of documents in full:**

| **Project Officer** | | | |
|---|---|---|---|
| **Sl.No** | **Particulars** | **Period** | **Cumulative Period** |
| 1 | Furnishing of Details to Head office as per Sl. No. 2.6 of role of Project Officer along with Sl. no1. 1 to 1.5 of the List of documents | 3 Days | T+3 Days |
| **Head Office** | | | |
| 1 | Calling for Additional Particulars, if any, w.r.t change in management | 3 Days | T+6 Days (In cases where no additional particulars are required, the NoC can be issued within 5 days following the scrutiny of documents. i.e., T+8Days) |
| 2 | Furnishing the documents/particulars by the allottee | 7 Days | T+13 Days |
| 3 | Issuance of NoC on receipt of all required documents/particulars | 5 Days | T+18 Days |

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II. **Incase the allottee has not furnished the application along with the list of documents in full and the Allottee requested to furnish the missing documents:**

| **Project Officer** | | | |
|---|---|---|---|
| **Sl.No** | **Particulars** | **Period** | **Cumulative Period** |
| 1 | Calling for Additional Particulars w.r.t missing Documents | 3 Days | T+3 Days |
| 2 | Forwarding the documents w.r.t Sl. No. 1.3 in the list of documents to Head Office | 3 Days | |
| 3 | Furnishing the documents/particulars by the allottee with 7 Days and follow up for the same for another 5 Days | 12 Days | T+15 Days |
| 4 | Furnishing of Details to Head office as per Sl.No.2.6 of role of Project Officer along with Sl. No. 1.1 to 1.5 of the list of documents / recommendation letter for closure of application in case the details are not furnished. | 0 Days | T+15 Days |
| **Head Office** | | | |
| 1 | Calling for Additional Particulars, if any, w.r.t Change in management | 3 Days | Period for Sl. No 1 & 2 at Head Office and Period for Sl. No 1 & 3 of Project Office are simultaneous |
| 2 | Furnishing the documents /particulars by the allottee | 7 Days | |

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| | | | |
|---|---|---|---|
| 3 | Calling for further additional particulars if the details furnished by P.O as sl. no. 2.6 is inadequate | 3 Days | T+18 Days |
| 4 | Issuance of NoC on receipt of all required documents/particulars | 5 Days | T + 20 Days (or) T + 23 Days |

III. **Closure of application in case the allotee fails to furnish the documents/additional details called for / clear the dues within the prescribed time limit:**

| Sl.No | Particulars | Period | Cumulative Period |
|---|---|---|---|
| 1 | Issuance of closure/ Rejection of NOC by Head office | 3 Days | T+18 Days |
| T represents the Date of Application for NoC, and the Days represents the Working Day. | | | |
| Hence the NOC will be issued within 23 working Days from the Date of Application if the applications given in full shape and without any ambiguity in change of management. Beyond the stipulated period of 23 working Days, the file has to be put up to MD with reasons for delay for approval. | | | |

The check list for the list of documents is enclosed at Annexure - I.

The above procedure has to be adopted scrupulously and will be in force with effect from 01.11.2024.

Sd/--
MANAGING DIRECTOR

To
All GMs
All HoDs
All Projects Officers – To circulate the above office order to the allottees of their Industrial Parks.

Copy to:
PA to MD
PA to ED
IT Department

//Forwarded by Order//

17.10.2024
Manager(HRD)



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**ANNEXURE-I**

## Check list for Issue of No Objection Certificate(NOC)

1. Company Details

a. NOC Reference No.
b. Application Date
c. Location of SIPCOT Industrial Park
d. Plot and Extent
e. Company Name
f. Contact Person
g. Contact Person Mobile No.
h. Contact Person Email
i. Address

2. List of Documents

| S. No. | List of Documents | Whether furnished | |
|---|---|---|---|
| | | Yes | No |
| 1. | Bank /Banks (in case of consortium) sanction letters with full details including terms and Conditions as detailed below: | | |
| 1.a | The applicant shall highlight the SIPCOT property to be mortgaged with Clause No. And page No. in Bank's sanction letter | | |
| 1.b | In case of consortium of Banks, highlight the SIPCOT's property to be mortgaged with Clause No. and page No. in all Bank's Sanction letter (if applicable) | | |
| 2 | No Due /No Objection Certificate from the existing Bank/Financial Institution (if applicable) | | |
| 3 | List of Directors and current shareholding pattern of the company including Holding Company if any, up to individual level duly certified by a Chartered Accountant / CPA. The CA/CPA certificate should have been obtained within 30 days prior to the Submission of application for NOC. | | |
| 4 | Copy of renewal of Letter of Acceptance (LoA) from MEPZ in respect of SEZ units | | |
| 5 | Commercial Invoice of Operation with the invoice at least within 90 days before the date of application for those allottees which are functioning as per the interpretation of the allotment orders, or/and based on the EOT granted by SIPCOT. | | |

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**STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LIMITED**
**19-A, Rukmani Lakshmipathy Road, Egmore, Chzennai – 600 008**

**OFFICE ORDER**

**O/O No.21/2021** **Dated: 12.03.2021**

Sub: SIPCOT - Procedure for issuance of "No Objection Certificate" to mortgage the lease hold rights of the allotted plot in favour of Bank/Financial Institution for availing financial assistance to implement the project – Orders issued – Reg.

Ref: 1. Circular No.54/97, dated 14.7.1997
2. Office Order No.02/2015, dated 30.04.2015.

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SIPCOT allots plot to entrepreneurs in SIPCOT Industrial Parks on 99 years long term lease basis to set up industrial / commercial unit and issue allotment orders with terms and conditions. As per the terms and conditions of the Allotment Order, allottee has to obtain "No Objection letter" (NOC) from SIPCOT to mortgage the lease hold rights of the allotted plot for availing financial assistance after getting sanction letter from Bank/Financial Institution. The same will be considered subject to conditions as applicable.

Further, as per one of the Clause in Lease Deed state that it shall be open to the lessee (allottee) to ask for in writing and the lessor (SIPCOT) to grant a "No Objection Certificate" with or without conditions, to enable the allottee to mortgage the lease hold rights at any time after taking possession for obtaining financial assistance from Financial Institutions & Banks for implementing the project in the allotted plot and for the projects implemented under the same legal entity of the allottee. The allottee shall not offer the allotted plot as a collateral security to avail loan for other purposes/sister concern etc.

On perusal of the request of the allottee for issuance of NOC to mortgage the lease hold rights of the allotted plot, SIPCOT will issue NOC subject to terms and conditions and if the allottee fails to comply with any of the terms and conditions of the allotment order or Lease deed, the NOC issued by SIPCOT shall stand cancelled and the copy of the notice mentioned above shall be communicated to the Financial Institutions/Banks.

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Procedure to apply for NOC

i. The applicant shall submit the application for NOC through online in SIPCOT website viz. www.sipcot.tn.gov.in along with processing fee and the list of documents mentioned below.

ii. The applicant shall highlight the SIPCOT property to be mortgaged with Clause No. and page No. in Bank's sanction letter.

iii. In case of consortium of Banks, highlight the SIPCOT's property to be mortgaged with Clause No. and page No. in all Bank's sanction letter.

List of documents to be attached

| Sl.No. | Documents |
|---|---|
| 1 | Bank /Banks (in case of consortium) sanction letters with full details including terms and conditions. |
| 2 | No Due /No Objection Certificate from the existing Bank/Financial Institution. |
| 3 | List of Directors and current shareholding pattern of the company upto individual level duly certified by a Chartered Accountant / CPA.<br>The CA / CPA certificate should have been obtained within 30 days prior to the submission of application for NOC. |
| 4 | Copy of renewal of Letter of Acceptance (LoA) from MEPZ in respect of SEZ units. |
| 5 | Particulars on current status on implementation of the project. |

Procedure for issuance of NOC

- On receipt of Application along with processing fee & mandatory documents, it will be verified by SIPCOT and if any particulars are not received, the same may be called for from the allottee and also field report from the respective Project Officers shall be called for, within 1 week, from the receipt of letter from the allottee.
- In case, application for NOC to mortgage the lease hold rights of the allotted plot is received from the allottee with all the required documents at the application stage itself, NOC shall be issued by SIPCOT within 15 days from the date of receipt of application.
- The allottee has to send reply and furnish the required documents as called for by SIPCOT in 1 week time from the date of SIPCOT letter.

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- If no reply is received from the allottee within the time, rejection/ closure of the application for NOC will be issued by SIPCOT in 3 days time.
- If all the particulars as called for, are received within the time, the application for NOC will have to be processed within 1 week and approval of the issuance of NOC as per the approved format shall be issued in another 1 week time (overall time is 15 to 30 days for issuance of NOC upon receipt of application along with all the requisite documents mentioned above).

Time line

| Sl.No. | Documents / particulars | Period |
|---|---|---|
| 1 | Calling for additional documents /particulars & report from PO. | 1 week from the date of receipt of application. |
| 2 | Furnishing the documents /particulars by the allottee. | 1 week from the date of SIPCOT letter. |
| 3 | Issuance of closure / rejection of NOC. | 3 days from non receipt of documents / particulars within the time as called for. |
| 4 | Issuance of NOC on receipt of all required documents /particulars at application stage itself. | 15 days from the receipt of application. |
| 5 | Issuance of NOC upon receipt of application with all required documents /particulars as called for by SIPCOT. | 30 days from the receipt of application. |

This procedure has to be adopted scrupulously.

Sd/-
MANAGING DIRECTOR

To
All GMs
All HoDs
All Project Officers

Copy to:
PA to MD
PA to ED
IT Department

// Forwarded by order //

H. Parthasarathy
GENERAL MANAGER (P-II)

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