

**ELECTRONICS CORPORATION OF TAMILNADU LIMITED
CHENNAI – 600 035**

O/o No. 15/2023

Date: 19.06.2023

OFFICE ORDER

Sub : ELCOT – Land at all IT Parks – Implementation of Project – Extension of Duration - Penalty clause – Reg.

Ref : Minutes of the Board Meeting Held on 14.06.2023.

The Board of ELCOT at its meeting held on 14.06.2023, resolved to accept the Project Implementation policy.

1 Execution of Lease deed:

- a) Lease Deed is to be executed within 45 days from the date of payment of land lease cost and compliance of specific conditions of in-principle Allotment order.
- b) If the allottee fails to execute the lease deed within the stipulated time/ Extension of Time (EOT) for execution a penalty of 0.5% of the prevailing land lease cost shall be levied for every 30 days beyond the stipulated time/EOT.
- c) Handing over/taking over possession of plot in the prescribed format duly mentioning the exact area/survey no. shall be signed by the Allottee and the Authorised representative of ELCOT, within 30 days from the date of execution /registration of Lease Deed.

2 Implementation of the Project

The Allottee shall complete construction within 30 months from the date of lease deed and implementation duration is 36 months from the date of lease deed failure of which will entail cancellation of allotment and resumption of the plot unless otherwise an extension of time is granted with or without penalty.

2.1 Penalty for non-implementation

2.1.1 New Allottees effective from 14.06.2023

ELCOT shall collect additionally a caution deposit of 5% of the land lease cost along with the upfront payment at the time of allotment.

- a) If the Allottee implements the project with minimum 50% plot utilization in 36 months from the date of lease deed or surrenders the plot within 36 months, the caution deposit amount shall be refunded without any interest at the end of 36 months.
- b) If the Allottee fails to implement the project with minimum 50% plot utilization (non- commencement of operations or commencement of operations with less than 50% plot utilization) within 36 months from the date of lease deed, a first extension of 12 months shall be granted by forfeiting the caution deposit. Further, the Allottee shall submit an irrevocable Bank Guarantee (B.G.) for an amount of 15 % of the prevailing land lease cost with validity of one year from the date of submission of irrevocable B.G. to ELCOT, within 30 days from the date of approval of first extension. If the Allottee fails to submit the irrevocable B.G. within the prescribed time limit, the approved extension shall be cancelled and the unutilized extent (entire extent in case of non- commencement of construction or remaining extent in case of commencement of construction) shall be resumed under The Tamil Nadu Public Premises (Eviction of Unauthorized Occupants) Act (TNPPE Act), unless the Allottee surrenders the same.
- c) If at the end of the approved first extension period (48 months from the date of lease deed), the Allottee fails to achieve 50% plot utilization but,
 - i. There is substantial progress in construction work without commencement of operations, the irrevocable B.G. shall be invoked and another extension for a period of 12 months is granted, unless the Allottee surrenders the same. If the Allottee surrenders, irrevocable B.G. shall be void. In case the Allottee wants to retain a part of the plot, the irrevocable B.G. shall be Invoked and proportionate amount for the surrendered extent shall be refunded.

- ii. If the allottee commences production/business operations with less than 50% plot utilization, the irrevocable B.G. shall be Invoked and another extension for a period of 12 months is granted for utilization of the remaining extent, unless the Allottee surrenders the same. If the Allottee surrenders the remaining extent, the irrevocable B.G. shall be void.
- iii. If there is no substantial progress and the allottee fails to implement the project in any extent of the plot, the irrevocable B.G. shall be void and the entire plot shall be resumed under TNPPE Act, unless the Allottee surrenders the same.
- iv. If at the end of total approved extension period of 24 months, the Allottee implements the project with less than 50% plot utilization, the unutilized extent shall be resumed under TNPPE Act, unless the Allottee surrenders the same. If the Allottee fails to implement the project in any extent of the plot, the entire plot shall be resumed under TNPPE Act, unless the Allottee surrenders the same.

d) The above shall also be applicable to those allotments made prior to 12.06.2023 who have not executed/registered lease deed.

e) ELCOT shall collect the frontage charges, caution deposit @5% of the prevailing land lease cost along with upfront land lease cost payable at the time of allotment only for the allotments made on or after 12.06.2023

f) The allottees who have been issued in-principle allotment order before 12.06.2023 and remitted land lease cost within stipulated time period shall be allowed to execute the land lease deed within 45 days from the board meeting date 12.06.2023 (i.e; up to 27.07.2023)

2.1.2 Existing Allottees

- a) Existing Allottees are categorized into 2 categories and the applicable penalty for obtaining approval for extension of time for implementation of the project beyond the stipulated period from the date of allotment will be considered as detailed below:

S.I. No	Category*	Proposal
1.	Allottees who have completed 36 months as on 01.07.2023 and up to 7 years	12 months extension of time with surrender option. EOT will be granted with Penalty of 5% of prevailing land lease cost to be remitted byway of RTGS/DD.
2.	Allottees who have completed more than 7 years as on 01.07.2023	90 days' notice with surrender option and to proceed for resumption thereafter. To continue with the legal course of action, if already proceeded with.

*The cutoff date for categorization is **30.06.2023**.

The existing allottees who would be completing 4 years between 01.07.2024 and 30.06.2025 by availing above concessions shall also be granted further one year period by collecting an irrevocable B.G of 5% of the prevailing land lease cost.


2.1.3 MOU/G.O. Cases

All allotments to MOU/G.O. cases shall be made as per the terms and conditions of the MOU/G.O. The penalty policy in case of MOU/G.O. allotments shall be applicable as per clause 2.1.1. unless specified otherwise in the MOU/G.O. However, the implementation period of 36 months shall be replaced with the investment period specified in the G.O. and any instance of resumption of plots or part thereof under TNPPE Act shall be enforced with prior approval of GoTN.

1. Definitions

- a. **Plot Utilization:** The extent of the allotted plot covered with built-up space comprising of factory building/sheds and covered utility/storage area, etc.
- b. **Implementation:** Commencement of commercial production / operation within the stipulated time as specified in the allotment order/lease deed and also complying with 50% plot utilization

This order comes into effect from 14.06.2023.



(Dr.S.ANEESH SEKHAR I.A.S)
MANAGING DIRECTOR

To
All HODs
All Administrative Officers
MD's Table
ED's Table