

**FINANCE DEPARTMENT
(FOLLOW & RECOVERY)
CIRCULARS & OFFICE ORDERS**

**1. REVISION IN THE INTEREST RATE
FOR TERM LOAN BASED ON IDBI
REFINANCE SCHEME**

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LIMITED,

19-A, RUKMANI LAKSHMIPATHY ROAD, MADRAS - 600 008.

No.E3/Misc./41/91.

Dated:8-10-1991.

CIRCULAR

Sub: Revision in interest rates under
IDBI Refinance Scheme from
3rd September, 1991.

In pursuance of the decisions communicated by the Industrial Development Bank of India (IDBI) in its Circular No.FI.5/91-92, dated September 3, 1991, raising the interest rates for the medium (non SSI) Sector, the Board of SIPCOT at its meeting held on 25-9-1991 has revised SIPCOT's interest rates for lending under IDBI Refinance Scheme as follows with effect from 3-9-1991:-

I. SPECIAL SCHEMES ANYWHERE IN THE STATE:

- a. Sick Unit Rehabilitation Scheme : 18% (Eighteen percent)
- b. Seed Capital Technocrats Scheme : 18% (-do-)
- c. Electronics Industries : 18% (-do-)
- d. Entrepreneurs belonging to SC/ST : 18% (-do-)

II. SCHEMES OTHER THAN SPECIAL SCHEMES IN BACKWARD/MOST BACKWARD TALUKS:

Taluks notified by the State Government as backward/
most backward from time to time: 19% (Nineteen percent)

III. SCHEMES OTHER THAN SPECIAL SCHEMES IN THE SIPCOT INDUSTRIAL COMPLEXES AT PUDUKKOTTAI, MANAMADURAI AND TUTICORIN: 19% (Nineteen percent)

IV. SCHEMES OTHER THAN SPECIAL SCHEMES ANYWHERE IN THE STATE NOT COVERED UNDER II & III ABOVE: 20% (Twenty percent).

...2...

2. The new rates will be applicable to:

- (i) all cases of refinance sanctioned on or after September 3, 1991.
- (ii) cases where the relative loan agreement between SIPCOT and its borrower has been executed on or after September 3, 1991 even if loan/refinance was sanctioned prior to September 3, 1991, and
- (iii) all cases where no refinance has been disbursed as on September 3, 1991.

3. The above rates are inclusive of the interest tax levied under the Finance Act, 1991. The collection towards interest tax should be shown separately in the accounts. 100/103% of the remittance by the loanee towards interest and interest tax should be credited to the Interest Account and 3/103% of such remittances should be transferred to 'Receipts towards interest tax account'.

4. The above rates should be adopted in all cases where documentation has not yet been done. Where documentation has already been done incorporating the old rates and in which cases the rates now announced will apply in terms of Para 2 above, the concerned parties will be informed by letters in duplicate invoking the provisions under Clause 6 (d) of the Term Loan Agreement and their acknowledgement obtained.

B. VIJAYARAGHAVAN,
CHAIRMAN & MANAGING DIRECTOR .

To

All concerned.

Copy to: CMD's Table.

TIIC for information.

/ FORWARDED BY ORDER /


GENERAL MANAGER (PF).

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LIMITED,
19-A, RUKMANI LAKSHMIPATHY ROAD, MADRAS - 600 008.

No.E3/Misc./42/91.

Dated:8-10-1991.

CIRCULAR

Sub: Charging of additional interest
for reschedulement.

At present, for reschedulement of term loans, an additional interest of 2.5% is charged over and above the documented rate of interest except in the following cases:

- (i) Funding of interest overdues.
- (ii) Portion of the amount payable as per the original schedule.

2. Consequent on the revision of interest rates made by IDBI under the Refinance Scheme, the Board at its meeting held on 25-9-1991 approved charging of interest for reschedulement in the manner given below in respect of the existing and future cases:

- (i) The overdue portion of the principal rescheduled will be charged at SIPCOT's lending rate as at the time of rescheduling, irrespective of the documented rate.
- (ii) In addition to the rate as in (i) above a rate of 1.5% will be charged if the reschedulement is within the terminal date as originally given and 2.5% if the reschedulement is outside the terminal date as originally given.
- (iii) Funded interest will be charged at SIPCOT's lending rate as at the time of funding.

3. These instructions shall apply to all cases of reschedulement after 1-10-1991 irrespective of whether or not the Company has been declared as sick.


B. VIJAYARAGHAVAN
CHAIRMAN & MANAGING DIRECTOR.

To
All concerned.

Copy to: CMD's Table.

TIIC for information.

/ FORWARDED BY ORDER /


GENERAL MANAGER (PF).

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED

19-A, RUKMANI LAKSHMIPATHY ROAD, EGMORE, MADRAS - 8.

Circular No. 51/91 : 91

Dt. 30.10.1991.

CIRCULAR

Sub: Charging of interest for defaults
xxxx

The Board at its meeting held on 25.9.1991 decided the rate of interest prevailing at the time of considering rescheduling/funding. Cases of major defaults have arisen in respect of loans already rescheduled. Though there is no obligation on the part of the institution to abide by the reschedulement once the party fails to discharge its obligations under such reschedulement, SIPCOT has not been treating such violations seriously. Some of the parties find it convenient to default in the payments even after reschedulement because of the low rate of interest charged by us as against the interest rate on their borrowings from other sources.

In view of the fact that SIPCOT's own funds are involved to a substantial extent and to bring in an adequate deterrent against such defaults, it has been decided at the Board Meeting held on 23.10.1991, to increase the penal interest component from the existing level of 5% to 10% on the defaulted amounts for the defaulted period with effect from 1.10.1991 in respect of cases not covered by the new rates of interest. Consequently, the effective rate(including penalty) will be 22.5%(i.e. 12.5% + 10%) or 24% (i.e. 14% + 10%) as the case may be as against the present normal rate for reschedulement ranging from 19.5% to 22.5% depending on the classification of the loan and also the period of reschedulement.

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The penal interest of 5% on the defaulted amount for the defaulted period in respect of the units which attract the current new rate will continue.

All concerned departments should take necessary steps to communicate the Board's decision to all assisted units not covered by new rates of interest as per letter format enclosed.



(B.VIJAYARAGHAVAN)
CHAIRMAN AND MANAGING DIRECTOR.

End: Format.



G.M. (PF)
ZG

To

All GMs/DGMs/AGMs

All concerned Departments

viz. Project Finance,
Follow-up & Recovery,
SUR, Accounts
Internal Audit Cell

CMD's Table

PS to CMD

FORMAT

Ref;

Dt.

To

RPAD

All Assisted Units

Sir,

Sub: Increase in penal interest from 5% to 10%
on defaulted amount for defaulted period.

-X-X-

The Board of SIPCOT at its meeting held on 23.10.1991 decided to increase the penal interest component from the existing level of 5% to 10% on the defaulted amount for the defaulted period with effect from 1.10.1991 in respect of cases not covered by the new rates of interest applicable under IDBI Refinance Scheme with effect from 3rd September, 1991. Duplicate copy of this letter duly signed as acknowledgement of receipt of this order should be sent within 15 days to our Office.

Yours faithfully,

CHAIRMAN AND MANAGING DIRECTOR.

/ar

G.M. (PF)

27/10/91

27/10/91

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED
19-A, Rukmani Lakshimipathy Road, Egmore, Chennai-600 008.

CIRCULAR

No.9/92

Issued Date: 31.01. 1992

Re-issued

Date: 11.02.2021

Sub: Minimum promoters' contribution for term loan
assistance under IDBI Refinance Scheme – reg.

While appraising the project based on the guidelines of IDBI, the minimum promoter's contribution of 17.5% to 22.5% was provided hitherto depending on the location of the units. With a view to ensure sufficient promoters stake in the project and on par with IDBI's present practice of stipulating minimum promoters' contribution of 30% in respect of direct finance cases, the Board of SIPCOT at its meeting held on 22nd January 1992 also has decided to prescribe 30% as promoters' contribution in the project, for considering for term loan.

The Board has also decided that upto 20% of funds contributed by mutual funds / investment companies can also be included under promoters' contribution. Besides there should be satisfactory arrangement between the promoters and the mutual funds/investment companies for buy-back after the locking period of three years.

In special cases based on merits, promoters' contribution upto 25% can also be considered subject to specific approval by the Board.

(This circular is re-issued).

Sd/- xxx

CHAIRMAN & MANAGING DIRECTOR

To

All General Managers
All the Officers in PF Department
All HOD's
CMD Table

//FORWARDED BY ORDER//

MANAGING DIRECTOR

1/28

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED
19-A, Rukmani Lakshimipathy Road, Egmore, Chennai-600 008.

CIRCULAR

No.11/92

Issued Date: 04.02. 1992

Re-issued

Date: 11.02.2021

Sub: Revision in interest rate under SIDBI Refinance
Scheme with effect from 9th October, 1991.

In the case of loans sanctioned by SIPCOT under IDBI Refinance Scheme with refinance rate at 15% p.a., as at present lending rates of SIPCOT have been fixed by the Board in the range of 18% to 20% p.a. depending on the classification vide Circular No.E3/Misc./51/91, dt.08.10.1991. This is inclusive of interest tax.

In cases, where the refinance is extended by SIDBI at 15% p.a. as at present, the lending rate of SIPCOT has been fixed by the Board at 18% p.a. exclusive of interest tax. i.e. 18.5% p.a., inclusive of interest tax. This will apply to cases where refinance has been accorded by SIDBI on or after 9th October, 1991.

(This circular is re-issued).

Sd/- xxx

(B. VIJAYARAGHAVAN)
CHAIRMAN & MANAGING DIRECTOR

To

All GM's/DGM's/AGM's
PF, ID, F&R, SUR, Accounts,
Internal Audit, Legal, B.D., A.D., PS to CMD,
CMD's Table.

//FORWARDED BY ORDER//

MANAGING DIRECTOR

11/2/21

No.34/92

Dated 19.7.1992

CIRCULAR

Sub : Revision in interest rates under IDBI
refinance scheme from 1st July, 1992.

* * *

Consequent on the recent revision of interest rate for IDBI refinance, the Board at its meeting held on 1.7.1992, has decided to revise SIPCOT's lending rate under the refinance scheme to a uniform 20% (inclusive of interest tax) to all areas and all categories. This is in supersession of the rates fixed in Circular No.E3/Misc./41/91 dated 8.10.91.

2. The new rate will be applicable to all cases where :

- i) refinance is sanctioned on or after May 1, 1992.
- ii) the loan agreement between the primary lender and its borrower has been executed on or after May 1, 1992 even if the loan/refinance was sanctioned prior to May 1, 1992 ; and
- iii) the term loan/refinance has been sanctioned prior to May 1, 1992 but not disbursed so far.

3. The concerned parties shall be informed by letters in duplicate and their acknowledgement obtained, as per the draft enclosed.

4. In respect of reschedulement, at present an additional levy of 1.5% within the terminal date and 2.5% beyond the terminal date is being levied with reference to the Board's decision of 25.9.1991. In modification of this, the Board at its meeting held on 1.7.1992, has now decided that in such of these cases where the enhancement from the documented rate to current rate is more than 1.5% or 2.5%,

...2/-

Annexure

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED
19-A, RUKMANI LAKSHMIPATHY ROAD : EGMORE : MADRAS - 600 008

Lr. No.: PF/

DT.

/R.P.A.D./

Dear Sir(s),

Consequent to the revision in interest rates made by IDBI under refinance scheme with effect from 1.5.1992 Condition No.6(a) of our sanction letter stands modified as given under :-

" The rate of interest will be 20% per annum (inclusive of interest tax). SIPCOT will, however, have the right to revise or alter the rate from time to time depending on the market rate and IDBI rate for refinance. In case of default of instalment of principal and/or interest, a penal interest of 5% over and above the normal rate will be levied on the defaulted amount(s) for the defaulted period. "

Please return the duplicate copy of this letter with your signature immediately for our records.

Yours faithfully,

GENERAL MANAGER

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED
19-A, Rukmani Lakshimipathy Road, Egmore, Chennai-600 008.

CIRCULAR

No.7/1993

Issued Date: 01.03 .1993

Re-issued

Date: 11.02.2021

Sub: Revision in the interest rate in respect of facility
Extended for rehabilitation of potentially viable
Non-SSI sick/weak industrial units.

Since no concessions in the interest rate of refinance is available in respect of sick units under rehabilitation package, the Board of SIPCOT at its meeting held on 24.02.1993 has decided to revise the interest rates in respect of non-SSI/weak industrial units under rehabilitation packages except for the cases where rehabilitation packages had already been finalized/published for final approval or had been sanctioned or under implementation as on 24.02.1993.

2. In supersession of the rates fixed earlier, the following interest rates will be adopted with effect from 25.02.1993.

- a. Reschedulement of the existing term loan and fresh term loan will carry the normal rate of interest applicable at the relevant time.
- b. In respect of interest on the funded interest, the concession to the extent of 2% below the normal rate of interest applicable at the relevant time will be given subject to the right to recompose in the event of the company making profit after rehabilitation.
- c. Waiver of penal interest will be considered on a case to case basis subject to the right to recompense in the event of the company making profit after rehabilitation.

(This circular is re-issued).

Sd/- xxx
(B. VIJAYARAGHAVAN)
CHAIRMAN & MANAGING DIRECTOR


..Contd.(2)

To

GMs/DGMs/AGMs
All Officers in SUR Dept/F&R Department.

Copy to:
CMD's Table/AGM (IA)
PS to CMD.

//FORWARDED BY ORDER//


MANAGING DIRECTOR

19/22

Draft Circular for approval:

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED
19-A, RUKMANI LAKSHMIPATHY ROAD, EGMORE, MADRAS - 600008.

No. 51/93

Dated : 15-9-93

CIRCULAR

Sub: Revision in interest rates under IDBI refinance
scheme from 9th August 1993

Consequent on the recent revision of interest rate under IDBI refinance scheme from 9th August 1993, the Board at its Meeting held on 3rd September 1993 has decided to revise SIPCOT's lending rate under refinance scheme to a uniform ^{rate of} 19% (inclusive of interest tax) to all areas ^{and} all categories. This is in supersession of the rates fixed in Circular No. 34/92, dated 19.7.1992.

The new rate will be applicable to all cases where:

- i) all cases of loans sanctioned by the primary lending institutions on and after August 9, 1993;
- ii) all cases where the relative Loan Agreement between the primary lending institutions and the borrower has been executed on or after August 9, 1993 even if loan/refinance was sanctioned prior to August 9, 1993; and
- iii) all cases where the relative Loan Agreement between the primary lending institutions and the borrower has been executed on or before August 9, 1993 but no disbursement has been made so far; however, all partly disbursed cases will continue to be at the existing rates

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3. The concerned parties shall be informed by ^{suitably} ~~On~~
letters in duplicate and their acknowledgement obtained,
as per the draft enclosed.
~~On~~

11-
CHAIRMAN AND MANAGING DIRECTOR.

To

All Office s in the
Head Office

Copy to:

CMD's Table

PS to CMD

AGM (IA)

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MD
999
DGM (SD)

~~(with enclosure)~~

1/11/97
Ag
DGM (SD)

No. 34/93

Dated : 7-10-93

CIRCULAR

Sub: Revision in interest rate
under SIDBI Refinance
Scheme from 11.9.93.

Consequent on the recent revision of interest rate under SIDBI Refinance Scheme from September 11, 1993, the Board at its meeting held on 29.09.93 has decided to revise SIDBI's lending rate under SIDBI Refinance Scheme to 18.5% (Inclusive of Interest Tax) in respect of the following cases where

- i) Term loans are sanctioned on and after September 11, 1993;
- ii) Term loans were sanctioned prior to September 11, 1993, but no part of which is disbursed so far;
- iii) the relative loan agreement between the primary lending institution and the borrower is executed on and after September 11, 1993, even if loan/ Refinance was sanctioned prior to September 11, 1993; and
- iv) the relative loan agreement between the primary lending institution and the borrower has been executed prior to

... 2

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September 11, 1993 but - no
disbursement - has been made
so far; However, all the partly
disbursed cases will continue
to carry the existing rates
before revision.

This may be noted for
future reference.

11/10/93
S. PARTHASARATHY

CHAIRMAN AND MANAGING DIRECTOR

S
S/10
AO

DN
7/10/93
DGM (ESD)

DN
7/10/93
DGM (PF & D)

To
All officers in the
Head office

Copy to:

CMD's table

PS to CMD

AGM (IA)

126

STATE INDUSTRIES PROMOTION CORPORATION
OF TAMIL NADU LIMITED.

19-A, RUKMANI LAKSHMIPATHY SALAI, EGMORE,
MADRAS - 600 008.

No. 35/93

Dated : -10-93

CIRCULAR

Sub: Revision in interest rate under
IDBI refinance scheme from
8th September, 1993.

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Consequent on the recent revision of interest rate under IDBI refinance scheme from 8th September '93, the Board at its meeting held on 29.09.93 has decided to revise SIPCOT's lending rate under refinance scheme to a uniform rate of 18.5% (inclusive of interest tax) to all areas and all categories. This is in ^{modification} ~~supersession~~ of the rates fixed in circular No. 31/93 dated 15.9.93.

2. The new rate will be applicable to all cases where:

- (i) all cases of loans sanctioned by the primary lending institutions on or after September 8, 1993;
- (ii) all cases where the relative Loan Agreement between the primary lending institutions and the borrower has been executed on or after September 8, 1993 even if loan/refinance was sanctioned prior to September 8, 1993; and

....24

- 21 -

- (iii) all cases where the relative Loan Agreement between the primary lending institutions and the borrower has been executed on or before September 8, 1993 but no disbursement has been made so far; however all partly disbursed cases will continue to be at the existing rates.
3. The concerned parties shall be informed suitably by letters in duplicate and their acknowledgement obtained.

1/1

S. PARTHASARATHY

CHAIRMAN AND MANAGING DIRECTOR

To ^{9/10} ^{AD} ^{10/93} ^{10/93} ^{PF&D}
All officers in the ~~DEPUTY~~ GENERAL MANAGER (TSB)
Head office

copy to.

CMD's table

PS to CMD

AGM (IA)

Circular No. 36/93

Dt : 14-10-93

CIRCULAR

Sub : Interest rates in respect of facilities
extended for rehabilitation of potentially
viable Non-SSI sick/weak industrial units.

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In respect of facilities extended under rehabilitation
package for revival of potentially viable sick units, the
Board of SIPCOT at its meeting held on 29.9.93 has decided as
follows:-

- 1) The existing policy as decided by the Board of SIPCOT at its
meeting held on 25.2.93 ~~and~~ (informed in ~~our~~ Circular No.7/93
U.d.t.1.3.93) will continue to be applicable.
- 2) In exceptional cases where viability of the sick unit was
re-established, the Chairman and Managing Director was
authorised to accord approval on case by case basis by
adopting the following norms:-
 - a) To extend concessional rate of interest in respect of
selective operationally viable sick units based on merits
under BIFR rehabilitation package as per RBI parameters,
~~as indicated in the note,~~ considering the normal lending
rate as prevailing minimum lending rate to arrive at the
concessional rate of interest.
 - b) In such cases the sacrifices on account of the interest
concessions with reference to the current rate of lending
shall have to be recouped without charging interest after
the rehabilitation period and for which also specific
schedule of repayment not exceeding two years will be
fixed.

7
(obs. dated)
in
24/10

7 *134*

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(S. PARTHASARATHY)
CHAIRMAN AND MANAGING DIRECTOR.

To
GMS/DGMS/AGMS
All Officers in
SUR Dept/F&R Depts.
Copy to
CMD's Table/AGM(IA)
PS to CMD

4
13/10/93
M. S.

13/10
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cc/mst

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED.
19-A, RUKMANI LAKSHMIPATHY ROAD, MADRAS-8.

No. 25 /94

Dated: 21.4.1994.

CIRCULAR

SUB: Revision in interest rate under IDBI
Refinance Scheme from 1st March, 1994.

- - -

Consequent on the recent revision of interest rate under IDBI refinance scheme from 1st March, 1994, the Board at its Meeting held on 28.03.1994 has decided to revise SIPCOT's lending rate under refinance scheme to a uniform rate of 17.5% (inclusive of interest tax) to all areas and all categories. This is in modification of the rates fixed in Circular No.35/93, dated 7.10.93.

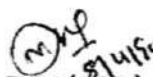
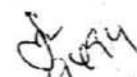

2. The new rate will be applicable to all cases where;

a. all cases of loans sanctioned by the primary lending institutions on or after March 1, 1994;

b. all cases where the relative Loan Agreement between the primary lending institutions and the borrower has been executed on or after March 1, 1994 even if the loan/refinance was sanctioned prior to March 1, 1994; and


c. all cases where the relative Loan agreement between the primary lending institutions and the borrower has been executed on or before March 1, 1994 but no disbursement has been made so far; however all partly disbursed cases will continue to be at the existing rates.

3. The concerned parties shall be informed suitably by letters in duplicate and their acknowledgement obtained.

 DGM (LSD)  GM (PF&D)  MANAGING DIRECTOR.

To
All General Managers & HODs Office.

Copy to:
MD's Table
PS to MD
AGM(IA)

 19/4

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED,
19-A, RUKMANI LAKSHMIPATHY ROAD, MADRAS-8.

No. 26 /94

Dated : 21.4.1994

CIRCULAR

SUB: Revision in interest rate under SIDBI
Refinance scheme from 1.3.94.

- - -

Consequent on the recent revision of interest rate under
SIDBI refinance scheme from 1st March, 1994 ^{the Board at its meeting held on 28.3.94} has decided to
revise SIPCOT's Lending rate under SIDBI refinance scheme to
17.5% (inclusive of interest tax) in respect of the following
cases where:

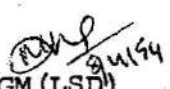
a. term loans have been sanctioned on and after
March 1, 1994;

b. term loans were sanctioned prior to March 1, 1994
but no part of which has been disbursed so far;

c. the relative loan agreements between the primary
lending institution and the borrowers are executed on and after
March 1, 1994 even if the loans/refinance were sanctioned
prior to March 1, 1994 and

d. the relative loan agreements between the primary
lending institution and the borrowers have been executed prior to
March 1, 1994 but no disbursement has been made so far. However,
all partly disbursed cases will continue to be at the existing rate.

This may be noted for future reference.


DGM (LSD)


GM (PF&D)


MD.

To

All GMs/HODs

Copy to:

MD's Table

PS to MD

AGM(IA)

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LTD.
19-A, RUKMANI LAKSHMIPATHY ROAD, EGMORE, MADRAS-8.

Cir.No.34/94

Dt.30.5.1994

CIRCULAR

Sub: Recovery from assisted units both
inside SIPCOT Industrial Complexes
and units located outside the
Complexes - Instructions issued.

* * *

The Special Tahsildar (Recovery) with head-quarters at Madras is being deputed for collection from our defaulted units. In the course of his visit he has to collect the dues from the units situated in the industrial complexes and also in and around the complexes. It has been decided that the vehicle attached for the Project Offices should be made available to the Tahsildar whenever he is on a visit to the complexes for collection.

The Project Officers are hereby informed to make available the vehicles attached to their complexes to the Special Tahsildar (Recovery) whenever he proceeds for the purpose of recovery inside SIPCOT Industrial Complexes and also within the peripheral limits upto 10 K.M. in and around the complexes.

The receipt of this circular may be acknowledged.

SHEELA BALAKRISHNAN,
MANAGING DIRECTOR.

To

All Project Officers.

Copy to:

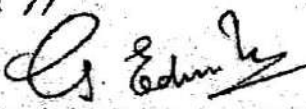
All GMs.

All DGMS.

All AGMs.

The Special Tahsildar (Recovery)

// FORWARDED BY ORDER //


MANAGER (PERSONNEL)

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED

19-A, Rukmani Lakshmipathy Road, Egmore, Madras-8.

No. 52/94

Dated 19.8.1994

CIRCULAR

Sub: IDBI Line of Credit - Reg.

IDBI in its Circular FI 4/94-95, dated 7th June '94 inter-alia decided to provide the Line of Credit to SFCs/SIDCs in respect of the term loan sanction on or after 1st June 1994. The salient features of the scheme are given under:

1. Criteria for selection of SIDC for Line of Credit : SIDCs which are regular in payment of their dues (principal and interest) under the refinance scheme and have no overdue to IDBI and SIDBI are eligible.
2. Classification of SIDC : Classified into two categories viz. A and B on the basis of their eligibility to finance projects costing above Rs.300.00 lakhs and upto Rs.500.00 lakhs and to provide term loan assistance upto Rs. 90.00 lakhs and Rs. 150.00 lakhs, respectively.

	Category	Ceiling on project cost /Rs. in lakhs/	Loan limit
	"A"	500.00	150.00
	"B"	300.00	90.00
		<u>Prescribed by IDBI</u>	<u>Attained by SIPCOT</u>
			1993-94
			(Provisional)
Eligibility criteria for SIDC to consider project upto Rs.500.00 lakhs and sanction loan upto Rs.150.00 lakhs. (as per IDBI Circular Dt. 15.7.90)	i. DSCR not less than	1:1	1.44:1.00
	ii. Arrears ratio not exceeding	30%	27.99%
	iii. Regularity in payment of dues to IDBI/SIDBI	Regular	Prompt

3. Eligibility of proposals under Line of Credit : New Industrial projects, Expansion and Diversification of the existing units and over run proposals (not to exceed 20% of the original project cost of Rs. 30.00 lakhs in case the projects already financed by SIDCs.)
4. Norms : Promoters' contribution: 30% and above
Debt Equity Ratio (DER): Not more than 1.50:1.00
Debt Service Coverage Ratio (DSCR) : Not less than 1.30:1.00
Current Ratio (CR) : Not less than 1.33:1.00
5. Approval of loan proposals by IDBI : Category 'A' Category 'B' (Rs. in lakhs)
- | | <u>Free limit</u> | <u>Ceiling</u> | <u>Free limit</u> | <u>Ceiling</u> |
|------|-------------------|----------------|-------------------|----------------|
| SFC | 60.00 | 90.00 | 40.00 | 60.00 |
| SIDC | 90.00 | 150.00 | 60.00 | 90.00 |
- Proposals covered under free limits need not have to be referred to IDBI for approval.
6. Procedure for drawal : IDBI would largely rely on the appraisal made by the Corporations and no pre-selection scrutiny of individual cases.
7. Disbursement of Line of Credit : Disbursement of Line of Credit by 5th and 20th of each month fortnightly.
(Format will be supplied by IDBI separately)
8. Extent of Refinance under Line of Credit : 65% of term loan disbursement within the overall ceiling of limits to be indicated by IDBI.
9. Amount of Line of Credit : Will be advised separately.
10. Rate of Interest : Refinance rate : 14% - payable quarterly.
Lending rate : Not to exceed 17.5%

11. Up-front fee : 1% to be deducted from the first disbursement made under Line of credit on the entire amount of Line of credit.

12. Repayment period: Moratorium - 2 years

Repayment in 20 quarterly instalments payable on first day of June, September, December and March.

In order to sanction the loan amount under Line of Credit, a separate draft agreement will be entered into with IDBI. This may be noted for future guidance while operating the scheme under Line of Credit.

ad
19/8
(SHEELA BALAKRISHNAN)

3/21 MANAGING DIRECTOR

TO

All General Managers

All ~~HODs~~ DGMs / LGMs

C.C.:

PS to MD
MDs table

m / EA

m
15/8/94
DGM (LSD)

m
18/8
GM (A&A)

m
18/8
GM (PF&D)

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED

19-A, Rukmani Lakshmipathy Road, Egmore, Madras-8.

No. 54/94

Dt. 19.8.1994

CIRCULAR

Sub: Term Loan assistance - Reduction in interest rate-
Reg.

Ref: Circular No. 25/94, dated 21.4.1994

Consequent on the revision of interest rate under IDBI refinance scheme, during March 1994, an interest rate of 17.5% inclusive of interest tax has been in force from 1st March '94 as per Circular cited under reference.

2. In order to cope up with the present lending rate being adopted by other Financial Institutions in the changed scenario and to improve the volume of business, our Board at its Meeting held on 8.8.94 has decided to effect changes in interest rate for future lending as given under:

i) For our own assisted units going in for expansion/diversification, equipment refinance and with proven track record - ^{16.0% p.a.} category I

ii) For entrepreneurs who have a proven track record with any of the ^{financial} ~~above~~ institutions ^{16.5% p.a.} and have an ongoing business. ~~Category II~~

④ i.e. Nationalised Banks/
SFCs/SIDCs, All India Financial
Institutions

iii) For first generation entrepreneurs with no track record of borrowing from any ^{cf the above} ~~financial~~ institution i.e. ~~Nationalised banks/~~ ^{17.5% p.a.}

~~SFCs/SIDCs, All India Financial institutions~~
and units not falling under (i) or (ii) above - ~~category~~ ^{III}

3. The proven track record shall mean

- i) those units which have been in operation for at least 4 years for category I and 3 years for category II units
- ii) have earned profits and/or declared dividend on equity shares during the preceding two financial years and
- iii) not be in default/overdues to institutions/Banks in the payment of their dues, and the opinion from financial institutions/Banks should not be adverse.

4. Appraisal note should contain an analysis on the above aspects and the appropriate interest rate should be indicated.

5. These changes will take place with effect from 1st September 1994.

6. This must be followed scrupulously.

[Signature]
SHEELA BALAKRISHNAN

[Signature] Managing Director.

To

All GMS

All ~~MDs~~ *DGM/AM*

[Signature]
DGM (LSD)

[Signature]
GM (A&A)

[Signature]
GM (PF&D)

Copy to:

MDs Table

PS to MD

m 15

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LTD.
19A, RUKMANI LAKSHMIPATHY ROAD, EGMORE, MADRAS 600 008.

NO. 73 /94

Dt. 16-12-94

CIRCULAR


SUB: Revision in interest rate under SIDBI
refinance scheme from 25.10.94

REF: SIDBI Circular No.FI.9/94-95 dt.26.10.94

. . .

Subsequent to revision of interest rate under
SIDBI refinance scheme from 15% to 14% p.a. during March 1994,
now SIDBI as per the Circular cited under reference have
made a general reduction of lending rate from 14% to 13.5% p.a.
with effect from 25th Oct.'94 and which will be applicable to:

- a. term loans are sanctioned by the PLIs on or after
October 25, 1994
- b. refinance is sanctioned by SIDBI on or after Oct.25, 1994
- c. Refinance was sanctioned prior to October 25,1994 but no
disbursement has been made so far and all partly disbursed
cases of refinance as on Oct.25, 1994 will however continue
to carry the pre-revised applicable rate of interest.
- d. The concerned parties ^{should} ~~shall~~ be informed suitably by letters
in duplicate and their acknowledgment obtained.


MANAGING DIRECTOR

TO

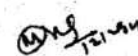
All GMs/HODs


C.C.:

MD's table

PS to MD

I.A. Dept.


DGM (LSD)


GM (PF&D)


GM (RFLD)

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED

19-A, RUKMANI LAKSHMIPATHY ROAD, EGMORE, MADRAS - 8.

No. 74/94

Dt. 6.12.1994.

CIRCULAR

Sub: Term Loan Assistance - Reduction
in interest rate - Reg.

Ref: Circular No.54/94, dt.19.8.94

Consequent on the revision of interest rate under IDBI ^{SIDBI} Refinance Scheme from 14% to 13.5% p.a. with effect from 20th Oct. '94 ^{and 25th Oct. '94 respectively} and in order to cope ^{up} with the Present lending rate being adopted by other Financial Institutions in the changed scenario and to improve the volume of business, our Board at its meeting held on 29.11.94 has decided to effect changes in interest rate for future lending as given below:

Category	Interest rate structure p.a. ^{where} (inclusive of, tax)
1. Existing well-run units financed by SIPCOT/SFCs/SIDCs/AFIS/Banks with proven track record and turn over exceeding Rs.3.00 crores (during any one of the last three years) envisaging setting up of wind mill.	15.0%
2. For SIPCOT assisted units, going in for expansion/diversification, equipment refinance and with proven track record and setting up new entities for new scheme -Category I	15.5%
3. For entrepreneurs who have a proven track record with any of the financial institutions i.e. Nationalised Banks, SFCs/SIDCs/All India Financial Institutions and have an on-going business and setting up new units - Category II	16.0%

4. For first generation entrepreneurs with no track record of borrowing from any of the above financial institutions and units not falling under ¹(i) ²(ii) and ³(iii) above 17.0%
-Category III

II. The proven track record shall mean

- i. those units which have been in operation for atleast four years for Category I and three years for Category II units.
- ii. those who have earned profits and/or declared dividend on equity shares during the preceding two financial years
- iii. not in default/overdues to institutions/banks in payment of their dues and the opinion from financial institutions/banks should not be adverse.

III. Appraisal note should contain an analysis on the above aspects and the appropriate interest rate should be indicated.

IV. These changes will take place with effect from 29.11.94.

V. This must be followed scrupulously.

ms 12.12.94 *ms* 12/12 *ms* 16/12
DGM(LSD) GM(A&A) GM(PF&D)

ms 16/12
MANAGING DIRECTOR.
4/14

To

All GMs/HODs

C.C.:

M.D's table

PS to M.D.

I.A. Dept.

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LTD.

19A, RUKMANI LAKSHMIPATHY ROAD, EGMORE, MADRAS - 600 008.

No. 75/94

Dt. 16.12.94

CIRCULAR

SUB: Revision in interest rate under IDBI
Refinance scheme from Oct.20, 1994- Reg.

REF: IDBI Circular No.FI 9/94-95 dt.Oct.20, 1994

. . .

Subsequent to revision of interest rate under IDBI refinance scheme from 15% to 14% p.a. during March 1994, now IDBI as per the Circular cited under reference have made a general reduction of lending rate from 14% to 13.5% p.a. with effect from October 20, 1994 and which will be applicable to:


- a. all cases of loans sanctioned by PLIs on or after October 20, 1994
- b. all cases where the relative Loan agreement between the PLIs and the borrower has been executed on or after October 20, 1994 even if the loan/refinance was sanctioned prior to October 20, 1994 and
- c. all cases where relative Loan agreement between the PLIs and the borrower has been executed on or before Oct.20, 1994 but no disbursement has been made so far; however, all partly disbursed cases will continue to be at the existing rates.

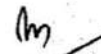
The concerned parties ^{should} ~~shall~~ be informed suitably by letters in duplicate and their acknowledgement obtained.

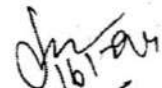

MANAGING DIRECTOR

TO
All Gms/HODs

C.C.:
MD's table
PS to MD
I.A. DEPT.


12/12/94
Dum (LSD)


14/12/94
GM (A&A)


16/12/94
on comp
GM (PRD)

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LTD.
19A, RUKMANI LAKSHMIPATHY ROAD, EGMORE, MADRAS - 8.

No. 14/95

Dt. 13.4.95

CIRCULAR

SUB: Term lending - Interest rate - Reg.

. . .


Board at its meeting held on 29.3.95 decided that the existing interest rates shall be applicable to the industrial units in respect of cases where term loans were sanctioned till 31st March 1995 and a portion of the sanctioned loan is drawn within 6 months from the date of sanction as stipulated in the Sanction order.


DGM(LSD)


DGM(LDD)


GM(PF&D)


GM(A&A)


MD

No. 15/95

Dt. 19.4.95

CIRCULAR

SUB: Term lending - Interest rate - Reg.
REF: Circular No. 74/94 dt. 16.12.94

Consequent on the revision of interest rate under IDBI/SIDBI refinance scheme from 13.5% p.a. to 14.5% p.a. with effect from 21.2.95, our Board at its meeting held on 29.3.95 has decided to effect the changes in interest rate for term lending as given below with effect from 1.4.95 by fixing minimum and maximum interest rate between 14.5% and 17.5% as given under:

CATEGORY	INTEREST RATE STRUCTURE (in per centage)
i. Existing well run units financed by SIPCOOT/SFCs/SIDCs/AFIs/Banks with proven track record and turnover exceeding Rs.3.00 crores (during any one of the last three years) envisaging setting up of Wind Mill.	14.5*
ii. For SIPCOOT assisted units, going in for expansion/diversification, equipment refinance and with proven track record and setting up new entities for new scheme.	16.0*
iii. For entrepreneurs who have a proven track record with any of the financial institutions i.e. Nationalised Banks/SFCs/SIDCs/All India Financial Institutions and have an ongoing business and setting up new units.	16.5*
iv. For first generation entrepreneurs with no track record of borrowing from any of the above financial institutions and units not falling under (i), (ii), and (iii) above.	17.5*

*In addition to the above, 0.5% will be levied towards interest tax.

SHEELA BALAKRISHNAN
MANAGING DIRECTOR

TO
All GMs/HODs
C.C.:
MD's Table
PS to MD
I.A. Dept.

3.4.95
Damiliso: EGM (LSD)

3GM (PF&D)

3GM (AS&B)

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LIMITED

19A, RUKMANI LAKSHMIPATHY SALAI, EGMORE, MADRAS - 600 008.

NO. 18/95

Dated 17.5.95

CIRCULAR

Sub: Term lending - Revision in interest rate - Reg.

. . . .

Consequent on the revision of interest rate under IDBI refinance scheme from 14.5% to 15% p.a. with effect from 21.4.95, our Board at its meeting held on 5.5.95 has decided to effect the changes in interest rate for ~~all term loan cases sanctioned after~~ *all term loan cases sanctioned after* ~~21.4.95~~ *21.4.95* by fixing minimum and maximum interest rate between 15.5% ^{and} 18.5% p.a. as given under:

<u>Category</u>	<u>Interest rate structure (%)</u>
1. Existing well run units financed by SIPCOT/ SFCs/AFICs/SIDCs/Banks with proven track record and turnover exceeding Rs.300.00 lakhs (during any one of the last three years) envisaging setting up of Wind Mill.	15.5*
2. SIPCOT assisted units going in for expansion/ diversification, equipment refinance and setting up new entities for new scheme with proven track record.	16*
3. For entrepreneurs who have a proven track record with any of the financial institutions/ Banks/AFIs/SFCs/SIDCs and have an ongoing business and setting up new units.	17*
4. For first generation entrepreneurs with no track record of borrowing from any of the above financial institutions and units not falling in category 1,2,3 above.	18.5*

*In addition, interest tax of 0.5% p.a. will be charged.

9/17/95
SHEELA BALAKRISHNAN
MANAGING DIRECTOR

TO
All GMs/HODs
C.C.:
MD's table
PS to MD
I.A. Dept.

MD
[on file]
DGM (LSD)
10/5

MD
DGM (LDD)

MD
CGM (PF&D)

MD
AGM (A)

MD
GM (A&A)

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED
19-A, Rukmani Lakshmiipathy Road, Egmore, Madras-8.

C I R C U L A R

Cir.No. 48/95

Dt. 30.11.95

Sub: Interest subsidy scheme - For New
Approved Hotel Projects.

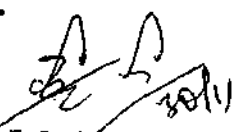
- - -

In the recent past, term loan assistance has been extended to medium and major hotel projects under the IDBI Refinance/Line of Credit Scheme with an interest rate ranging from 16.5% to 19% p.a. depending on the category of units.

Recently, Ministry of Civil Aviation and Department of Tourism in their notification dt. 1.8.95 informed that SIDC's would also be eligible for interest subsidy scheme for the new approved hotel project of 1,2,3 Star category. (other than four metro cities).

at
Board of SIPCOT/its Meeting held on 11.10.95 directed that SIPCOT would operate the interest subsidy scheme of 3% for the new approved hotel projects of 1,2,3 Star Categories (except Hotel Projects coming in Madras City) and to give credit to the Loanes ^{account} ~~amount~~ only after receipt of reimbursement from Government of India. The interest subsidy scheme would be in force from 1.8.95.

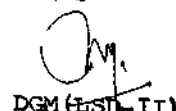
Place:
Madras-8.
Dated:


SHEELA BALAKRISHNAN
Managing Director

Copy to:
CGM, GMS
MD's Table
PS to MD
Internal Audit


Mgr.


DGM (LSD-I)


DGM (LSD-II)


CGM

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LTD.
19-A, RUKMANI LAKSHMIPATHI SALAI, EGMORE, MADRAS-8.

No. 52 /95

Dated: 20.12.1995

CIRCULAR

Sub: Term Lending - Revision in interest rate - Reg.

- - -

Consequent on the revision of interest rate under IDBI Refinance/Line of Credit Scheme from 15% p.a. to 16% p.a. with effect from November 20, 1995, our Board at its meeting held on 06.12.95 has decided to effect the change in the interest rates in term lending activities with effect from 20.11.1995 by fixing minimum and maximum interest rate between 18.5% p.a. and 20% p.a. as given under:

CATEGORY:

INTEREST RATE STRUCTURE
(inclusive of interest
tax)

RATE OF INTEREST
(per annum)

- | | | |
|--------|--|-------|
| 1. | SIPCOT assisted units going in for expansion/diversification/equipment refinance and setting up new entities for new scheme with proven track record | 18.5% |
| 2. (a) | For entrepreneurs who have proven track record with any of the financial institutions/Banks/AIFIs/SFCs/SIDCs and have on-going business going in for expansion/diversification/Equipment refinance and setting up of new entities for new scheme | 19.0% |
| (b) | Existing well-run units financed by SFCs/AIFIs/SIDCs/Banks with proven track record and turnover exceeding Rs.300.00 lakhs (during anyone of the last three years) envisaging setting up of a Wind mill | 19.0% |
| 3. (a) | For first generation entrepreneurs with no track record of borrowing from any of the above financial institutions and units not falling in Category 1, 2(a) and 2(b) above | 20.0% |
| (b) | For financing projects partly/entirely out of SIPCOT's own funds (i.e.) the amount exceeding LOC limits in respect of any of the categories mentioned above | 20.0% |

....2

Further, the above interest rate structure will be applicable in respect of the following:

- a. All cases of loans sanctioned by SIPCOT on or after 20.11.1995.
- b. All cases where the relative loan agreement between SIPCOT and the borrower has been executed on or after November 20, 1995 even if the loan/refinance was sanctioned prior to 20.11.1995.
- c. All cases where relative loan agreement between SIPCOT and the borrower has been executed on or before 20.11.1995, but no disbursement has been made so far. However all partly disbursed cases will continue to be at the existing rate.
- d. The revised rate of interest will also be made applicable when the first disbursement of LOC by IDBI is made to the Corporation on or after 20.11.1995, in respect of that term loan.



Om 20/12/95
~~SHEELA BALAKRISHNAN,~~
MANAGING DIRECTOR.

Om 14/12/95
DGM (LSD-I)

Om 15/12/95
DGM (LSD-II)

B 15/12/95
DGM (LDD)

Om 18/12/95
CGM
Om 19/12/95
GM (A&A)

To
The Chief General Manager
All GMS/HODs

Copy to:
MD's table
PS to MD
IA Dept.



STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LIMITED
19-A, RUKMANI LAKSHMIPATHY ROAD, EGMORE, MADRAS-600 008.

No. 8 /96

Dated 6/1/96

CIRCULAR

Subj: Revision in interest rate of term loan assistance - SIDBI - Reg.

Ref: Circular ~~No. 9.9~~ No. 52/95 dated 20.12.95.

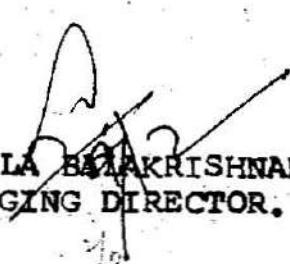
As per the Circular cited under ~~Reference~~, the revised interest rate structure on Term Loan under IDBI Refinance/Line of Credit scheme with effect from 20th November 1985 is as given under:

<u>Category</u>	Interest rate structure (inclusive of interest tax) <u>Rate of Interest</u> (per annum)
1. SIPCOT assisted units going in for expansion/diversification/equipment refinance and setting up new entities for new scheme with proven track record	18.5%
2.	
(a) For entrepreneurs who have proven track record with any of the financial institutions/Banks/AIFIs/SFCs/SIDCs and have ongoing business going in for expansion/diversification/Equipment refinance and setting up of new entities for new scheme	19.0%
(b) Existing well run units financed by SFCs/AIFIs/SIDCs/Banks with proven track record and turnover exceeding Rs.300.00 lakhs (during anyone of the last three years) envisaging setting up of a Wind mill	19.0%
3.	
(a) For first generation entrepreneurs with no track record of borrowing from any of the above financial institutions and units not falling in Category 1, 2(a) and 2(b) above	20.0%
(b) For financing projects partly/entirely out of SIPCOT's own funds (i.e.) the amount exceeding LOC limits] in respect of any of the categories mentioned above.	20.0%

As there has been revision in interest rate from 14.5% to 15.5% with effect from November 27, 1995 by SIDBI, the revised interest rate structure as indicated in Para one above shall be applicable for SIDBI Refinance cases with effect from 27.11.95 in respect of the following:

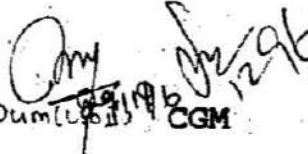
- a. Term Loans sanctioned on or after November 27, 1995 and
- b. Term Loans already sanctioned prior to November 27, 1995 but no part thereof was disbursed till that date.

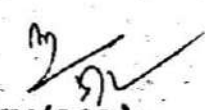
However all cases where term loans have been partly disbursed as on November 27, 1995 will continue to carry the pre-revised applicable rate of interest.


SHEELA BHATKRISHNAN,
MANAGING DIRECTOR.

To
The Chief General Manager
All GMs/HODs
CC:
MD's table
PS to MD
IA Dept.


DGM (LSD-I)


CGM


GM (A&A)

No. 21/96

Dated 4.1.1996.

CIRCULAR

Sub: Term Lending - Revision in
interest rate - Reg.

Consequent on the revision of interest rate under
IDBI ~~to Refinance~~ LOC/Refinance from 16% p.a. to 16.5% p.a. with effect
from February 27, 1996 and ~~the SIDBI Refinance from~~ 15.5% p.a. to 16% p.a. with effect
from March 01, 1996 respectively, our Board at its meeting held
on 28.03.96 has decided to effect the change in the interest
rates in term lending activities w.e.f. 27.2.1996 ~~and 1.3.96~~ in respect of
LOC/RF sanction by IDBI ~~and SIDBI respectively~~
~~sanction by SIDBI~~ by fixing minimum and maximum interest rate
between 19% p.a. ~~to~~ ^{and} 21% p.a. as given under:

CATEGORY	INTEREST RATE STRUCTURE (INCLUSIVE OF INTEREST TAX) Rate of Interest per annum
1. SIPCOT assisted units going in for expansion/diversification/Equipment Refinance and setting up new entities for new scheme with proven track record	19%
2. (a) For entrepreneurs who have proven track record with any of the Financial Institutions/Banks/AIFIs/SFSCs/SIDCs and have on-going business going in for expansion/diversification/equipment refinance and setting up of new entities for new scheme	20%
(b) Existing well run units financed by SFCs/ AIFIs/SIDCs/Banks with proven track record and turn-over exceeding Rs.300.00 Lakhs (during any one of the last three years) envisaging setting up of a Wind Mill	20%
3. (a) For first generation entrepreneurs with no track record of borrowing from any of the above financial institutions and units not falling in Category - 1, 2(a) and 2(b) above.	21%

- (b) For financing projects partly/entirely out of SIPCOT's own funds (i.e.) the amount exceeding LOC limits in respect of any of the categories mentioned above 21%

Further the above interest rate structure under IDBI RF/LOC will be applicable in respect of the following:

i) all cases of loans sanctioned by the SFCs/SIDCs on or after February 27, 1996.

ii) all cases where the relative Loan Agreement between the SFCs/SIDCs and the borrower has been executed on or after February 27, 1996, even if the loan/refinance was sanctioned prior to February 27, 1996 and

iii) all cases where relative Loan Agreement between the SFCs/SIDCs and the borrower has been executed on or before February 27, 1996 but no disbursement has been made so far. However all partly disbursed cases will continue to be at the existing rates.

iv) The revised rate of interest will also be made applicable when the first disbursement of LOC by IDBI is made to the Corporation on or after 27.02.1996, in respect of that term loan.

The above interest will also be applicable to SIDBI refinance cases also as per the following:

i) Term Loans are sanctioned by the Primary Lending Institutions on or after March 01, 1996.

ii) Term Loans were sanctioned by the PLIs prior to March 01, 1996 but no part thereof was disbursed till that date.

iii) However all cases where term loans have been partly disbursed as on March 01, 1996 will continue to carry the pre-revised applicable rate of interest.

(SHEELA BALAKRISHNAN)
MANAGING DIRECTOR.

DGM (LSD-I)

DGM (LSD-II)

DGM (LDD) AUM (A&R)

CGM



STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED
19-A, RUKMANI LAKSHMIPATHY ROAD, EGMORE, MADRAS-600 008.

CIRCULAR

No. 46 /96

Dated 11.4.96

Sub: Term Lending - Revision in
interest rate - Reg.

Consequent on the revision of interest rate under IDBI LOC / Refinance from 16.5% to 17.5% p.a. with effect from July 1, 1996, our Board at its meeting held on 25.07.1996, has decided to effect the change in the interest rates in term lending activities w.e.f. 1.7.1996 by fixing minimum and maximum interest rate between 20% p.a. and 22.5% p.a. as given under: ~~let~~

CATEGORY	INTEREST RATE STRUCTURE (inclusive of interest tax) Rate of Interest per annum
1. SIPCOT assisted units going in for expansion/diversification/equipment refinance and setting up new entities excluding Wind Mills and for new scheme with proven track record	20%
2. Entrepreneurs who have proven track record with any of the Financial Institutions/Banks/AIFIs/SFCs/SIDCs and have ongoing business going in for expansion/diversification/equipment refinance and setting up of new entities excluding Wind Mills for new scheme	21%
3. Existing well run units financed by SIPCOT and other SFCs/AIFIs/SIDCs/Banks with proven track record and turnover exceeding Rs.300.00 Lakhs (during any one of the last three years) envisaging setting up of a Wind Mill	22%
4. Entrepreneurs with no track record of borrowing from any of the above financial institutions and units not falling in Category 1, 2 and 3 above	22.5%

5. Projects to be financed partly/
entirely out of SIPCOT's own funds
(i.e.) the amount exceeding LOC
limits in respect of any of the
categories mentioned above 22.5%

Further, the above interest rate structure under IDBI
LOC / RF is applicable in respect of the following:

- i) all cases of loans sanctioned by ~~the~~ SIPCOT on or after July 1, 1996.
- ii) all cases where the relative Loan Agreement between SIPCOT and the borrower has been executed on or after July 1, 1996, even if the loan/refinance was sanctioned prior to July 1, 1996 and
- iii) all cases where relative Loan Agreement between SIPCOT and the borrower has been executed on or before July 1, 1996 but no disbursement has been made so far, however all partly disbursed cases will continue to be at the existing rates.
- iv) The revised rate of interest shall also be made applicable where the first disbursement of LOC is made to SIPCOT on or after July 1, 1996, in respect of that term loan.

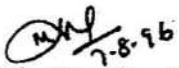


QUDSIA GANDHI,
MANAGING DIRECTOR.

To
The Chief General Manager
All Gms / HODs

Copy to:


MD's table
PS to Chairman
PS to MD
IA Dept.

 7.8.96
DGM(LSD-I)

DGM(LSD-II)

DGM(LDD)

AGM(A&CS)

 9/8
GM(A&A)

 11/8/96
CGM

C I R C U L A R

No. ~~45~~ /97-98

Dated : 10-06-1997.

SUB : Term lending - Leasing - Bill discounting
for capital goods - Revision in interest
rate and lease rental.

fixation ?

Consequent on the revision of interest rate under IDBI LOC/Refinance from 17% p.a., to 15.5% with effect from 1-5-1997 and the SIDBI LOC/refinance from 15.5% p.a., to 14% p.a., with effect from 1-5-1997, our Board at its meeting held on 28-5-97 has decided to effect ~~the~~ change in the interest rates ^{for} in term lending activities w.e.f. 1-5-1997, ~~in respect of LOC/Refinance sanction by IDBI and SIDBI respectively.~~ For Bills of discounting ^{for} capital goods and lease financing the ^{following} ~~revised~~ ^{fixed} rates have to be adopted with immediate effect.

I. INTEREST RATE FOR TERM LENDING :

Category	Rate of interest (Inclusive of interest tax)
i) Existing Industrial units with proven track record going in for expansion / modernisation / diversification / equipment purchases	19.5% p.a.
ii) New Industrial ventures	20.5% p.a.

Proven track record shall mean :

1. The units should have been in continuous production for three years.
2. The units should have made net profit for the preceding two financial years.

(p.t.o.)

3. The units should not be in default and/or no overdues to SIPCOT/SFC's/SIDC's/Banks/AIFI's and with satisfactory credit information.
4. The unit should have positive network.

The proposed interest rate will be applicable to -

- a. All cases of loans sanctioned by SIPCOT on or after 1-5-1997.
- b. All cases where the relative loan agreement between SIPCOT and the Borrower has been executed on or after 1-5-97, even if the loan/refinance was sanctioned prior to 1-5-97, and
- c. All cases where relative loan agreement between SIPCOT and the Borrower has been executed on or before 1-5-97, but no disbursement has been made so far, however all partly disbursed cases will continue to be at the existing rates.

Interest Rebate :

The Board of SIPCOT desired that some incentive should be given for prompt servicing the loans and its repayments by the new Industrial Units. Accordingly the Board of SIPCOT decided to -

- " Extend an interest rebate ^{of} 1% p.a. for prompt payment of interest and repayment of principal instalments, in respect of new Industrial Units financed @ 20.5% p.a., which should be given effect to, in the last instalment of principal repayment".

8m Terms & Sanction *This aspect will be included in the loan sanctioning process, appropriately (Contd.....3) - This will be incorporated in the sanctioning process*

II. INTEREST RATE FOR BILLS DISCOUNTING FOR CAPITAL
GOODS SCHEME :


Category Companies	Interest rate inclusive of interest tax
'A'	19.5% p.a.
'B'	20.5% p.a.

III. LEASE RENTALS :

The Lease rental to be charged to the Borrowers to have 21% pre-tax rate of return (IRR) per thousand per month is given below :

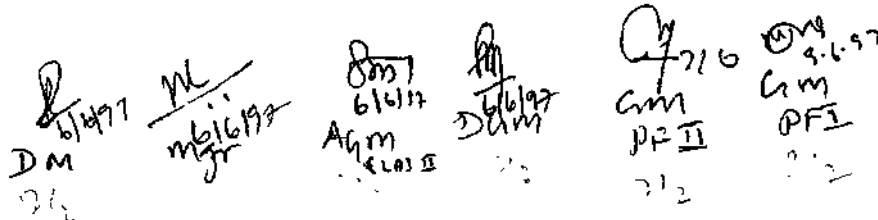
	<u>60 Months</u>		<u>48 Months</u>		<u>36 Months</u>	
Rating	A	B	A	B	A	B
PTPM (Rs.)	26.00	27.00	29.75	30.75	36.00	37.00

The Empowered Committee is authorised to make subsequent modifications in the interest rate / lease rental in respect of Bill discounting scheme and leasing scheme as and when the need ^{arise} ~~arise~~.


MANAGING DIRECTOR.

To

All GM's
All HODs & S.E.,
All R.M.s & P.O.s
Accounts Department
Internal Audit Department
P.S. to Chairman
P.S. to Managing Director.



STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED
19 A, Rukmani Lakshmipathy Road, Egmore, Chennai- 600 008.

CIRCULAR

Circular No.: **62/97**

Dated: **13.09.1997**

Sub: Term lending - Leasing - Bill Discounting
for Capital goods - Revision in interest
rate ~~for~~ ^{and} fixation of lease rental.

Consequent on the revision of interest rate under IDBI
LOC/Refinance from 15.5 % p.a. to 15 % p.a. with effect from
1.7.1997, Our Board at its meeting held on 27.8.1997 has decided
to effect the following interest rates to ^{Term lending,} ~~lease rental~~ ^{and rental}
~~interest for~~ Bill Discounting for capital goods schemes ^{and lease finance} with
effect from 1.9.1997. ✓

INTEREST RATE FOR TERM LENDING

<u>Category</u>	<u>Rate of Interest</u> <u>(Exclusive of interest tax)</u>
I. a. Existing Industrial Units with proven track record going in for expansion/diversification/ modernisation equipment purchase.	18.0% p.a.
b. Existing Industrial Units/Groups with proven track record envisaging new entities for setting up projects.	
II. New Industrial ventures, and projects financed by SIPCOT's own funds.	18.5% p.a.

Proven Track Record shall mean:

(1) The Units should have been in continuous production for three years.

(2) The Unit should have made net profit for the preceeding two financial years.

(3) The Unit should not be in default and/or no overdues to SIPCOT/AIFI's and with satisfactory credit information.

(4) The Unit should have positive networth.

The proposed interest rate will be applicable to:

All cases where the relative loan agreement between SIPCOT and the Borrower has been executed on or after 1.9.1997.

The cases where loan agreements were executed before 31.8.97 would be governed by the rates mentioned in the loan agreements.

II. INTEREST RATE FOR BILL DISCOUNTING FOR CAPITAL GOODS SCHEME

The rate of interest for bill discounting for capital goods w.e.f. 1.9.97 are given below. Rate of Interest.

Category

Proposed

(Exclusive of interest tax)

A

18.0% p.a.

B

18.5% p.a.

III. LEASE RENTALS

The lease rental to be charged to the Borrower, to have 20% pre-tax rate of return per thousand per month (PTPM) w.e.f. 1.9.1997 as given below:

period	60 MONTHS		48 MONTHS		36 MONTHS	
Rating	A	B	A	B	A	B
PTPM (Rs.)	25.70	26.70	29.50	30.50	36.00	37.00

Q/13/97
QUDSIA GANDHI
MANAGING DIRECTOR.

Yr

TO

All G.Ms
All HODs & CE
All R.Ms & P.Os
Accounts Department
Internal Audit Department
P.S. to Chairman
P.S. to Managing Director

9/9/97
Dm

9/9/97
Mgr
Alm
(L.S.D)

10/9/97
Alm
As I
Yr

10/9/97
Am
PF II & A
Yr

10/9/97
Am
PF I & S
Yr

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED.
19 A, RUKMANI LAKSHMIPATHY ROAD, EGMORE, CHENNAI-600 008.

CIRCULAR NO.: 10 /98

DT. 11.3.98

CIRCULAR

Sub: Term Lending - Revision in interest rates
and fixation of lease rental - interest
rebate - interest for reschedulement cases -
revision in existing interest rate and
penal interest - reg.

Consequent to the revision in interest rate by IDBI and SIDBI under LOC, SIPCOT has revised the interest rates for term loan sanctions and framed a policy on charging of interest for reschedulement cases, interest rebate for prompt repayment, reduction in interest rates for existing units, reduction in penal interest and revised interest rate for Bill Discounting for capital goods and for lease rental under lease finance. The Board of SIPCOT at its meeting held on 25.2.98 approved the revision in interest rate proposals as decided by the Committee of Directors and accorded approval to implement the revision in interest proposal with effect from 1.12.97 onwards. The details of the interest rate revision proposals approved by the Board are given below:

1. INTEREST RATE REVISION FOR FUTURE TERM LOAN CASES:

The interest rates should be applicable for future term loans and also to all the cases where the first disbursement of the Term Loan was made to the Borrower on or after 1.12.1997:

Category	Proposed Rate (Exclusive of interest Tax)
I. Existing Industrial units with proven track record going in for expansion/diversification/modernisation/ equipment purchase/ envisaging new entities for setting up projects.	17.5% p.a.
II. New Industrial ventures	18.0% p.a.

For joint financing cases with TIIC, the highest rate adopted by SIPCOT/TIIC for term lending would be followed.

2. BILL DISCOUNTING SCHEME FOR CAPITAL GOODS:

The proposed interest rate for Bill Discounting Schemes for Capital Goods would be 17.5% excluding interest tax for 'A' Category and 18% excluding interest tax for 'B' Category of Industries. This revision would be with effect from 1.12.97.

3. LEASE RENTAL UNDER LEASE FINANCE:

The lease rental for lease finance would be fixed based on the revised term loan rate of 18% for 'A' Category and 18.5% for 'B' Category. Which would give the following lease rental for per thousand per month.

Period in months	60		48		36	
Category rating	A	B	A	B	A	B
PTPM (Rs.)	24.75	25.50	29.25	30.00	35.75	36.50

The interest rate from the date of disbursement of lease finance to the date of commencement of lease rental should be charged at 18% p.a. and 18.5% p.a. (excluding interest tax) for A & B Category of industries respectively.

4. REDUCTION IN INTEREST RATE FOR EXISTING UNIT:

In view of the general reduction in interest rate adopted by Bank/AIFIs and SIPCOT, the interest rates already

charged at the maximum ranging from 19% to 22% p.a. are revised as under:

Existing rate (incl. int. tax) Proposed rate (Excl.int.tax)

(a) 19%, 19.5% and 20%	18.5%
(b) 20.5%, 21% and 21.5%	19.0%
(c) 22% to 22.5%	19.5%

The above interest rates will be made applicable on the outstanding amount of the loan accounts with effect from 1.12.97. The reschedulement loan amount will not be eligible for the above reduced interest rates.

5. INTEREST RATE FOR RESCHEDULEMENT CASES:

The following interest rate could be charged for re-schedulement of principal/funding of interest:

	Proposed
1. Funded Interest	Document rate or current rate whichever is higher.
2. Principal Rescheduled (within terminal and extending terminal date)	Document rate plus 1.5% or current rate, whichever is higher.

6. INTEREST REBATE FOR PROMPT REPAYMENT:

The following policy for extending interest rebate of 0.5%p.a. for prompt repayments ^{would} ~~can~~ be considered on yearly basis:


- i. Interest rebate of 0.5% p.a. for prompt payment ^{will} ~~may~~ be considered on yearly basis.
- ii. This rebate concession ^{will} ~~may~~ be given effect from the financial year 1997-98.
- iii. The rebate shall be given to the company, if the company adheres to the approved Schedule and promptly clears both the principal and interest dues without any delay for one complete financial year. The rebate shall be adjusted in the first principal/ interest dues during the next financial year.

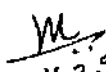
- iv. The rebate shall be given to all the units viz., new, existing and sick units under BIFR rehabilitation. In respect of existing borrowers, they shall be eligible if they are prompt in remitting the dues with effect from 1.4.97 after settling all the overdues as on 31.3.97. No rebate benefit will be extended once the company avails reschedulement of principal/ interest overdues.
- v. If a company defaults in payment of dues of principal/interest, the interest rebate shall not be extended for the future period.
- vi. Interest rebate is not applicable to advance payment and preclosure of term loan cases.

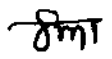
7. REDUCTION IN PENAL INTEREST:

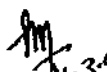
At present SIPCOT is charging penal interest of 5% and 10% towards overdue principal and interest payments. ~~The the Board in the meeting held on 25.2.98 framed a~~ ^{The} policy for charging penal interest is revised as below:


1. The penal interest chargeable towards overdue principal/ interest dues would be 2.5% p.a. with effect from 1.12.97 for the defaulted period and defaulted amount.
2. The above penal interest rate is applicable to all the units i.e. new, existing and sick units under rehabilitation.



 QUDSIA GANDHVI
 MANAGING DIRECTOR.
 22


 11-3-98
 Mgr


 11/3/98
 Acum
 LAS II
 22


 11-3-98
 Dcum
 LAS II
 22


 11/3
 Cum
 PFI & A
 22


 11/3/98
 Cum
 PFI & I.
 22


 10/3/98

DRAFT FOR APPROVAL:

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED
19 A, RUKMANI LAKSHMIPATHY ROAD, EGMORE, CHENNAI - 600 008.

Cir.NO. 7 /99

DT. 16.2.99.

CIRCULAR

SUB: Term lending revision in interest rates
lease rental rates, revision of interest
rates for reschedulement cases, relaxation
of collateral security for lease finance and
enhancement of term loan limits for new
projects promoted by new entrepreneurs - reg.

The Board of SIPCOT at its meeting held on 29.1.99 considered the proposal of revision in interest rate for term loan, reschedulement cases, relaxation of collateral security for lease finance and the enhancement of term loan limit for new projects promoted by new entrepreneurs and accorded approval to implement the same with effect from 1.3.99 onwards, as given under:

(27)

SIN

1. INTEREST RATE FOR TERM LOAN:

Category	Rate of Interest (exclusive of interest tax)		
	LOC UNDER		
	IDBI	SIDBI	SIPCOT own funds
1. Existing industrial units with proven track record going in for expansion / diversification/modernisation/ equipment purchase envisaging new entities for setting up project.	17%	16.5%	16.5% to 17.00%
2. New Industrial ventures	17.5%	17%	-

The revised interest rate would come into force from 1.3.99 and it would be made applicable to all cases where the first disbursement is made on or after 1.3.99.

2. LEASE FINANCE:

The details of the revised lease rentals are given below:

Months	60		48		36	
Category	I	II	I	II	I	II
PTFM	23.25	23.75	27.00	27.60	33.50	34.00

The revised lease rentals would come into force with effect from 1.3.99 onwards.

3. RELAXATION OF COLLATERAL SECURITY FOR LEASE FINANCE:

The relaxation of collateral security in the case of lease finance might be considered only for industrial units with proven track record and consistently regular in repayment to SIPCOT where the value of primary security already available with SIPCOT is at a quite satisfactory level.

4. BILL DISCOUNTING SCHEME FOR PURCHASE OF CAPITAL GOODS (MANUFACTURERS).

The Board directed that the existing Bill discounting scheme for capital goods would be discontinued as companies were not availing this facility.

5. INTEREST RATE REVISION FOR CORPORATE SHORT TERM LOAN FOR MARGIN MONEY FOR OPENING LC FOR CAPITAL EQUIPMENTS.

The details of the revised interest rate for the above schemes are given below:

Corporate Shortterm loan for LC margin money (Capital equipments)		
	A	B
Interest rate(exclusive of interest Tax)	17%	17.5%

6. INTEREST RATE FOR RESCHEDULEMENT CASES:

The revised interest rates for the reschedulement cases are detailed below for ~~approval~~:

~~Prepared~~

- | | |
|---|---|
| 1. Funded interest | Document rate or current rate, whichever is higher. |
| 2. Principal rescheduled (within the terminal date) | Document rate or current rate, whichever is higher. |
| 3. Principal rescheduled (extending terminal date) | Document rate plus 1.5% or current rate, whichever is higher. |

7. ENHANCEMENT OF SANCTION OF TERM LOAN ASSISTANCE:

SIPCOT Term loan assistance has been enhanced to the extent to Rs.300.00 lakhs to the projects promoted by new entrepreneur with a project cost ceiling of Rs.1200.00 lakhs.

Q/g
QUDSIA GANDHI,
MANAGING DIRECTOR.
gr

~~to~~
~~The General Manager (PF II & A)~~

Copy to:

All GMs,
All HODs
All RMs/POs,
Accounts Department
PS to Chairman
PS to MD.

Q/g
W
6/2/99
DM
Mgr.

Cy
7/2/99
G.M. (PF II & A)
m

Q/g
8/2/99
G.M. (PF I & ID)
gr

CIR. No.: 35/99

Dt. 3.8.99.

CIRCULAR

Sub: Assistance under short term loan
scheme by TIIC.

The Tamilnadu Industrial Investment Corporation Limited
their Board Meeting dt. 21.7.99, while reviewing the short
term loan scheme decided that the SSI sectors and units assisted
by SIPCOT may also be considered for short term loan assistance
by TIIC. The eligible amount of assistance under short term
loan should not exceed the networth of the unit within the
overall ceiling of Rs.50.00 lakhs. The rate of interest for the
short term loan scheme is 18% p.a.(excl. of int. tax). The
scheme shall be extended to the assisted unit of SIPCOT who had
been prompt.

The above information may be brought to the notice of
the SIPCOT assisted units.

Sd\ ***
QUDSIA GANDHI,
MANAGING DIRECTOR.

To
All General Managers
All the HODs
PS to Chairman,
PS to MD.

\\FORWARDED BY ORDER\\


GENERAL MANAGER (PF, IT&A)

Circular No. 39/99

Dt. 10.8.99.

CIRCULAR

Sub: Term lending - revision in interest rates,
lease rental rates, revision of interest
rates for reschedulement cases - reg.

* * * * *

The Board of SIPCOT at its meeting held on 28.7.99 considered the proposal of revision in interest rate for future term loan, reschedulement cases, revision in lease rental rate and accorded approval to implement as given below:

I. INTEREST RATE REVISION OF FUTURE TERM LOAN CASES:

Category	Proposed Rate of Interest p.a. (exclusive of interest tax)
Company's availing Refinance from SIDBI	15 %
Company's availing Refinance from IDBI	16.5 %
SIPCOT Own funds	15.5 % to 16 %

The revised interest rate approved for future term loan cases would come into force from 1.8.99 and would be made applicable to all the cases where the first disbursement is made on or after 1.8.99.

II. INTEREST RATE REVISION FOR RESCHEDULEMENT CASES:

The interest rates for reschedulement cases as approved by the Board are detailed below:

Proposed

- | | |
|--|---|
| 1. Funded interest | Document rate or current rate, whichever is higher. |
| 2. Principal reschedulement (within the terminal date) | Document rate or current rate, whichever is higher. |
| 3. Principal reschedulement (extending terminal date) | Document rate + 1 % * or current rate, whichever is higher. |

* The Board of SIPCOT also accorded that for the industrial sectors viz., Textile, Steel, paper etc., the reschedulement of principal beyond the terminal date would be considered at document rate or current rate, whichever is higher without charging the additional 1% based on the merits of the case, subject to Board's approval.

The revised interest rates for reschedulement cases approved above would come into force from 1.9.99.

III. REVISION OF LEASE RENTAL:

The details of the revised lease rentals are given below:

Months	60		48		36	
Category	I	II	I	II	I	II
PTPM Rs.	22.60	22.75	26.40	26.60	32.85	33.00

The revised lease rentals would come into force from 1.8.99 for all future lease finance cases.

Sd/***

QUDSIA GANDHI,
MANAGING DIRECTOR.

To

All General Managers,
All HODs,
Superintending Engineer,
Regional Managers,
PA to CH,
PA to MD.

// FORWARDED BY ORDER //

M. J. K. Khan
GENERAL MANAGER (PF, TA&A).

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LTD.
19-A, RUKMANI LAKSHMIPATHY ROAD, EGMORE, CHENNAI – 600 008.

CIRCULAR

Circular No. 16/2000

Date: 20.06.2000.

Sub: Term Lending – Revision in interest rate and
 lease rentals – Reg.

The Board of SIPCOT at its meeting held on 21.06.2000 considered the proposal of revision in interest rates and lease rentals and accorded approval to adopt the following rates:

(I) **Interest Rates for Term Loan:**

Category	Revised Rate of Interest p.a.
Term Loan extended under SIDBI Refinance / LOC.	15%
Term Loan extended under IDBI Refinance / LOC.	15.5%
Term Loan extended with SIPCOT's own funds	15.5%

(II) **Lease Rentals:**

The details of revised lease rentals are given below :

Months	60		48		36	
Category	A	B	A	B	A	B
PTPM	22.40	22.55	26.25	26.40	32.70	32.85

The above rates shall be effective from 1.5.2000 to all cases where the first disbursement is made on or after 1.5.2000.

To

All General Managers
 All HODs
 Superintending Engineer
 P.S. to Chairperson
 P.S. to M.D.

(QUDSIA GANDHI)
 MANAGING DIRECTOR

2/2

A.M.
 24/6/2000

D.M.
 25/6

Smt
 29/6/2000
 D.G.M.(LAS)

G.M.(PF)
 30/6

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED
19 A, Rukmani Lakshmipathy Salai, Egmore, Chennai – 600 008.

Cir. No. 23 /2000

Dt. 16.8.2000

CIRCULAR

Sub: Reduction in interest rate for existing
Term loan cases – Rollover facility – reg.

The Board at its meeting held on 9.8.2000 approved the Rollover facility scheme for reduction in interest rate for existing term loan cases. The salient features of the scheme are given below:

1. The rate of interest on rollover assistance will be 16%
2. Payment of premium (50% of the present value of future interest loss) on the rollover loans should be made on or before 31.8.2000/ 30.11.2000.
3. Companies who want to avail this facility should make payment of principal and interest overdues on or before 31.8.2000/ 30.11.2000.
4. There will be no change in the repayment schedule.
5. The future interest of 16% will be applicable to the units, which have availed Rollover facility from 1.9.2000 or 1.12.2000 onwards.

The Rollover facilities ^{will be} extended to defaulted units at the time of reschedulement on merits of the case by fixing the cut off date as 31.3.2001 beyond which the Rollover facility would not be extended.


QUDSIA GANDHI
2/2 MANAGING DIRECTOR.

TO

All General Managers
All HODs
All POs and RMs
District Revenue Officer,
Superintending Engineer
Copy to:
PS to Chairperson,
PS to M.D.


15/8
DM

on leave
DGM(OP.I)


GM(PF&SUR)

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED

19-A, RUKMANI LAKSHMIPATHY ROAD, MADRAS-8

233

1/1
65
2/4

O.O.No.80/91

Dated: 1.11.91

OFFICE ORDER

Sub: Communication to assisted units
regarding increase in rates of
interest and levy of Interest Tax.

Consequent on the provisions in the Finance Act, 1991 levying on Financial Institutions a tax on interest with effect from 1-10-1991 and as decided by the Board at its Meeting held on 25.9.1991, half per cent shall be charged over and above the documented rate of interest in respect of loans not covered by the general increase in rates of interest (inclusive of interest tax) communicated in this office Circular No.E3/Misc/41/91, dated 8.10.1991.

In respect of cases sanctioned prior to 3.9.1991 but refinance obtained/to be obtained after 3.9.1991, communication should be sent as per the format in Annexure-I.

In respect of cases not covered under the above category, the communication regarding levy of interest tax should be sent as per the format in Annexure-II.

The concerned departments will immediately issue letters in duplicate to all the assisted units by R.P.A.D. and also obtain the duplicate copies from the addressees with their signature as required in the letter.

Sd/- B.VIJAYARAGHAVAN,
CHAIRMAN & MANAGING DIRECTOR.

Encl: Annexure I & II

To

Concerned Depts

(TL-I, TL-II, F&R(Madras, Madurai, Salem),
SUR, Accts, Legal, Refinance, Internal Audit
Spl. Tahsildar, Madras, Madurai, Salem)

Copy to:

FORWARDED/BY ORDER

CMD's Table.
PS to CMD.

1. 11. 91
GENERAL MANAGER (PF)

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED.

19-A, RUKMANI LAKSHMIPATHY ROAD, MADRAS - 8.

LR.NO.PF/TL.I/

Dated :

To

Assisted Units (as mentioned
in covering Office
order)

R.P.A.D

Dear Sir(s),

Consequent on the revision in interest rates made by IDBI under Refinance Scheme with effect from 3.9.1991, you are informed that the rate of interest in respect of your Term Loan account stands revised to %.

Please return the duplicate copy of this letter with your signature immediately for our records.

Yours faithfully,

For GENERAL MANAGER (PF).

Copy to :

Accounts Section.

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED
19-A, RUKHANI LAKSHMIPATHY ROAD, MADRAS - 8.

Lr.No.PF/ _____

Dated : _____

To

Assisted units (as mentioned
in covering office order)

Dear Sir(s),

Consequent on the increase in the rate of interest in general and also revision in the interest by IDBI and the increased commitment to SIPCOT due to introduction of Interest Tax, it has been decided to revise the rate of interest in respect of your term loan to _____ % with effect from 1.10.1991.

Please return the duplicate copy of this letter with your signature immediately for our records.

Yours faithfully,

For GENERAL MANAGER (PF).

Copy to :

Accounts Section.

69
No. 37/92

Dt : 31.7.92

CIRCULAR

Sub : Revision in the Interest Rates under IDBI
Refinance Scheme for rehabilitation of
potentially viable Non SSI Sick/Weak
Industrial Units.

.

Keeping in line with IDBI Circular No.FI.1/92-93
dt.13.4.92 and RBI Circular IECD No.35/IRD/IR-A/91-92 dt.6.12.91
the Board of SIPCOT at its meeting held on 1.7.92 has decided
to revise the interest rates and also promoters' contribution
in respect of Non-SSI Sick/Weak Industrial Units under
rehabilitation package as follows:-

I) Interest Rates as committed in the package will be maintained
subject to annual review in cases where,

i) Rehabilitation packages have been sanctioned and already
under implementation,

(or)

ii) Package sanctioned but yet to be implemented,

(or)

iii) Draft package is finalised/published for final approval.

II) In respect of cases where package yet to be prepared (or)

where packages prepared by operating agency (or)
lead institution, but draft yet to be published/finalised, the
following revised RBI Parameters on interest rates and also
promoters' contribution will be made applicable:

(A) Interest Rates

<u>Nature of Facility</u>	<u>Applicable Rate of Interest</u>
i) Working Capital	1.5% below the prevailing minimum lending rate in all cases.
ii) Funded Interest Term loan	6.5% below the prevailing minimum lending rate.

. . . 2/-

- | | |
|-----------------------------------|--|
| iii) Working Capital Term loan | Between 1.5% and 3% below the prevailing minimum lending rate. |
| iv) Existing Term loan | Not more than 2% below the document rate where considered necessary. |
| v) Fresh Rehabilitation Term loan | 1.5% below the prevailing minimum lending rate. |

All interest rate concessions would be subject to annual review depending on performance of the unit. Further, as long as a unit is availing interest rate concessions/reliefs, it should not be allowed to declare dividend and this ^{may form} ~~may~~ part of the covenants of the rehabilitation package. *m*

(B) Promoters' Contribution

<u>Nature of Facility</u>	<u>Minimum Applicable Rate</u>
i) In the cases involving change of management, professional/ technocrat management.	20%

ii) In other cases *1% Contribution to* 30%

It is however open to ^{the Corporation to} stipulate a higher promoters' contribution where warranted. At least 50% of the above promoters' contribution should be brought in immediately and the balance within six months. For arriving at the promoters' contribution, the monetary value of sacrifices from banks and financial institutions and Government ^{will} ~~may~~ be taken into account in addition to long term requirements of funds in cases other than change of management, technocrat and professional management. *OK*

III) Additional Interest Rates for reschedulement will not be charged in cases where reliefs/concessions are extended under rehabilitation package.

2/3 This is in supersession of the rates fixed in earlier circulars.

OK 8/7
(B. VIJAYARAGHAVAN)
CHAIRMAN AND MANAGING DIRECTOR

To

G.Ms/DGMS/AGMs

All actions in SUR Dept.

Copy to : CMD's Table/AGM(IA)/
PS to CMD

2/3
28/7
MSR

OK
28/7
DGM(SUR)

M/2017
GM(F&R) 2/4

DRAFT :

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED.
19-A, RUKMANI LAKSHMIPATHY ROAD, EGMORE, MADRAS - 600 008.

OFFICE ORDER

O.O. No. 87/92

Dated : 22.09.1992.

Sub : Ensuring levy of appropriate
interest rate on term loan.

X-X-X-X

In order to maintain the updated rate of interest in respect of each unit assisted by way of term loan, the following procedure should be followed in future.

2. All the Officers in the Project Finance Department and Follow-up & Recovery Department shall list out the interest rate details as given in the format ~~at~~ in Annexure-I in respect of all the term loan files dealt with by them. The Heads of Departments shall forward the consolidated list to Accounts Department within 15 days. The Accounts Department shall enter the interest rate details in the concerned loan accounts.

3. Similarly, every year the respective departments shall list out the interest rates as given in the format at Annexure-II during the month of April and the duly confirmed consolidated list shall be forwarded to Accounts Department. Accounts Department shall charge interest from the May quarter of the corresponding year, only after getting confirmation from all the Departments.

4. In respect of foreign currency loan also, the accounting records shall be maintained and the confirmation of interest rate has to be obtained as that of term loans.

5. Accounts Department should ensure the adoption of above system and shall maintain unit-wise list of current interest rates.



CHAIRMAN & MANAGING DIRECTOR.

To

All G.Ms.

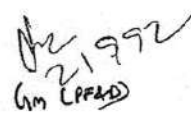
All HODs.

All the Officers.

Refinance Section.

Copy to : PS to CMD.

CMD's Table.


AGM(CIA)
Gm (PRAD)

Completed


23/09/92

ANNEXURE-I

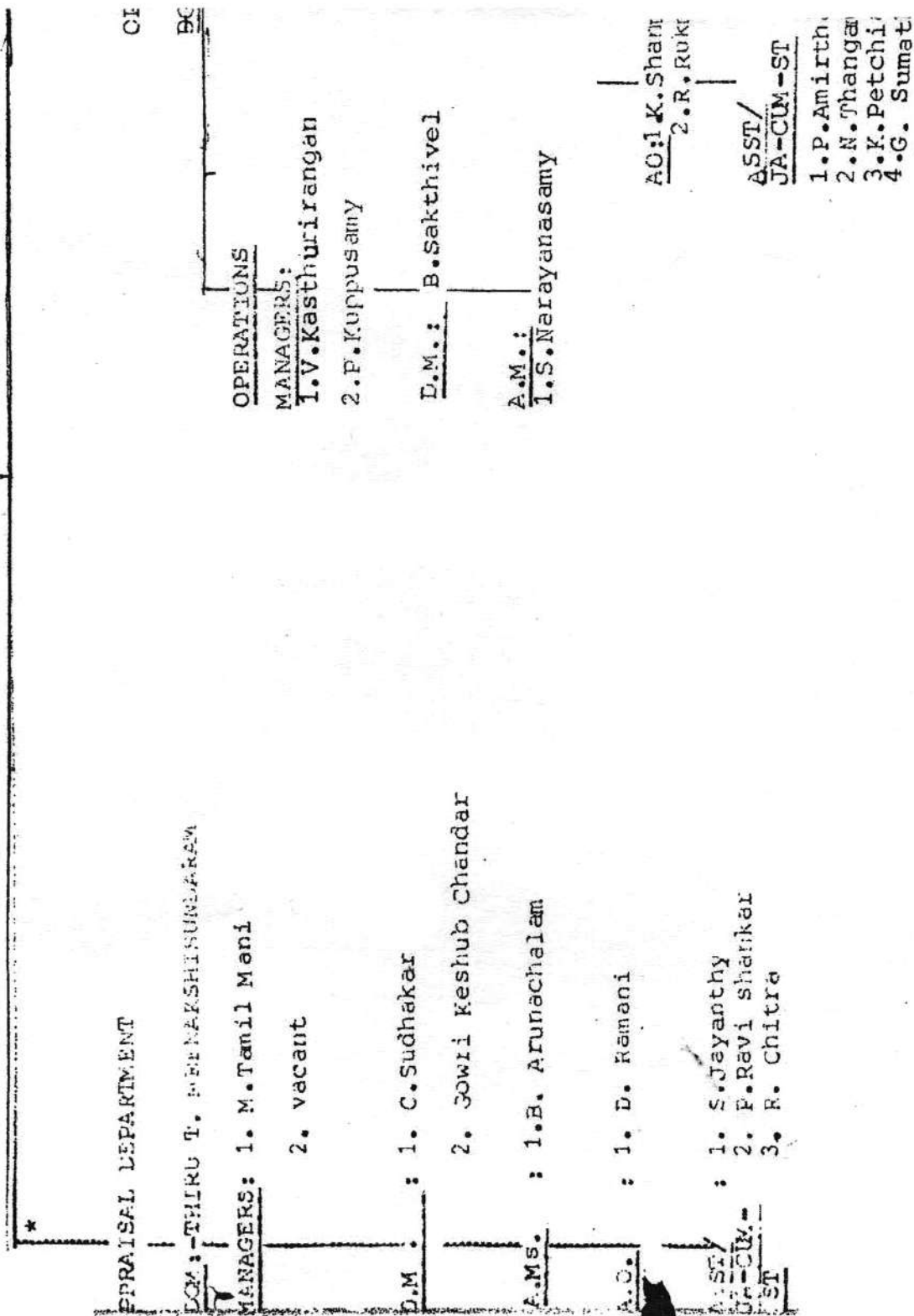
- * If there is no revisions, revised rate column should be marked as nil
- * If any revision in interest rate is given with retrospective effect, the same may be indicated in the remarks column.

INTEREST RATE TO BE CHARGED

22-1956
22-1956
22-1956

PROJECT FINANCE DEPARTMENT

GENERAL MANAGER



STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED
19-A, Rukmani Lakshmi pathy Road, Egmore, Madras - 600 008.

O.O.No. 101/92

Dated: 7.12.92

OFFICE ORDER

Sub: Refinance claims pending with IDBI -
Procedure to be followed.

* * * *

Cases have come to my notice of various lapses committed in the submission of refinance claims to IDBI with the result that there is a huge pile-up of refinance claims with IDBI and also, in certain cases, IDBI has returned the claims as time-barred. The following instructions are issued to avoid contingencies of this nature:

i. Disbursement claims by the loanees shall be submitted not later than 30 days prior to the date of expiry of the IDBI refinance validity. A condition to this effect shall be incorporated in the letter informing the loanees of the refinance sanction.

ii. The refinance claims shall be submitted to IDBI atleast 15 days before the date of expiry of the validity period fixed by the IDBI.

iii. Each refinance claim shall be presented to the IDBI Office separately and not in a bunch with a common covering letter. Acknowledgement shall be obtained for each claim, so that records will be available as to the date of filing of the refinance claim in each case.

iv. Periodical reminders should be issued to the IDBI on each refinance claim separately.

v. The pendency with the IDBI should be brought up for review at the CMD's monthly review meeting on Project Finance.

Original Recd:

B. VIJAYARAGHAVAN,
CHAIRMAN AND MANAGING DIRECTOR.

To:
All Officers concerned.

Cc to:
CMD's table
P.S. to CMD

//FORWARDED BY ORDER//

DEPUTY GENERAL MANAGER(LDD)

[Signature]
9/11

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LTD.
MADRAS-8

O.O.No. 11 /93



Dt. 3.3.1993

OFFICE ORDER

Sub: Refinance claims - Procedure to be followed.

Ref: Office Order No.101/92 dated 7.12.92.

In the Office Order cited, instructions have been given inter alia that disbursement claims shall be submitted by the loanees not later than 30 days prior to the date of expiry of the IDBI refinance validity. The Officers concerned are now further informed that before the 3rd of every month a list of cases where the refinance validity is expiring in the subsequent month should be prepared and a notice issued to the loanees by RPAD that if the claims for balance of disbursement due are not received not later than 30 days prior to the date of expiry of the IDBI refinance validity, the claims are liable to be rejected. Confirmation that intimation has been sent to all the parties on these lines should be furnished at the monthly review meeting on disbursement.



To:

CHAIRMAN & MANAGING DIRECTOR

G.M. (PF&D)

AGM (TLD)

AGM (IA)

Copy to:

CMD's Table

P.S. to CMD

Compared
3.3.93

2. ONE TIME SETTLEMENT CASES

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LTD.
19-A, RUKMANI LAKSHMIPATHY ROAD, EGMORE, CHENNAI – 600 008

Circular No. 49 /2002


Date : 11.11.2002

CIRCULAR

Sub : One Time Settlement of Term Loan Accounts by assisted units –
Observations of Board on Criteria and workings – Instructions
issued - Reg.

8279 CF While considering a note on the status of the One Time Settlement of
Term Loan Accounts by assisted units, the Board of SIPCOT at its meeting held
on 18.10.2002 observed that OTS should be worked out keeping the following
criteria, viz. Recovery Possibility, Nature of Industry, Cost of funds of Corporation
and Valuation of Assets. If the rate of interest is higher than the prevailing
interest rate, the interest rate can be brought to the prevailing rate. However, this
should be resorted only in cases where SIPCOT is not in a position to recover
substantial amount. If the OTS amount is not paid within the stipulated time,
OTS offer should be immediately withdrawn.

The above aspects have to be taken into consideration while considering
the one time settlement of term loan accounts by assisted units.


GENERAL MANAGER (PF&SUR)

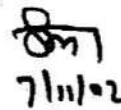
To

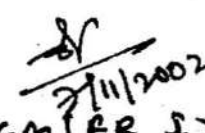
2/2

All the Officers of F&R-I & F&R-II Departments

Copy to :

All General Managers
Internal Audit Dept.
CMD's Table
P.S. to CMD


7/11/02
DGM (F&R I)


7/11/2002
DGM (F&R I)
2/2


11/11/02
GM (PF)

O.O.No.08/2018

Dated: 25 .10.2018

OFFICE ORDER

Sub: SIPCOT-TERM LOAN LENDING ACTIVITY - RECOVERY OF DUES
THROUGH ONE TIME SETTLEMENT (OTS) - REVISION OF POLICY
AND GUIDELINES - BOARD's APPROVAL - REG.

The Board of SIPCOT at its meeting held on 26.9.2018 revised the One settlement (OTS) policy including the principle, guidelines and the procedure as detailed in the annexure. This revised OTS policy is effective from the above mentioned date of Board Meeting.

The processing fee to be collected along with OTS application is Rs.25,000/- (Rupees Twenty five thousand only) - (non-refundable) + GST as applicable.

The above Office order is issued in supersession of all earlier proceedings/ Circulars/Office orders issued in this regard.

Encl: as above

Sd/-
K.SRINIVASAN
MANAGING DIRECTOR

To
All General Managers
All HODs
All Project Managers/All Project Officers/P.O. i/c.
PS to MD

//FORWARDED BY ORDER//


y/h ASSISTANT GENERAL MANAGER(F&R)

ANNEXURE TO OFFICE ORDER NO. 08/2018 dated 25 .10.2018

Eligibility

All the Term Loan units including accounts which were technically written off are eligible for settlement of dues by way of OTS.

Parties to negotiate with under OTS

1. Principal Borrower/s
2. Guarantors
3. Parent Company
4. Other interested parties like legal heirs, purchaser of charged assets of the Corporation (subsequent buyers), tenants, etc.
5. OTS offer should be received in writing.

OTS Application Form should be submitted as per the prescribed form enclosed.

Details to be furnished along with OTS application are given below:

- i. Present net worth of promoters / guarantor duly certified by the Statutory Auditors in case the assisted unit is a Limited Company and by a Chartered Accountant in the case of individual / partnership firm.
- ii. Last 3 years audited working results of borrowing unit / company and provisional working results for the incomplete financial year.
- iii. Payment of processing fees
- iv. Down payment
- v. Source of funds to remit the OTS amount
- vi. Reason for default
- vii. Factors affecting unit function

Receipt of Down Payment under OTS

At the time of receipt of the OTS Application Form from the borrower unit / company, upfront payment to the extent of at least 15% of the principal outstanding amount should be collected to evidence commitment to the OTS process. In case the borrower unit / company has genuine difficulty to make the down payment, relaxation may be made after getting due approval from the Managing Director. If the proposal is not approved under OTS for some

reason or other, the down payment received shall be adjusted to the loan account and the borrower may be informed in writing accordingly. However, if the down payment is remitted by a third party on behalf of the unit / company the amount so received shall be kept in Sundry Deposit Account and in case the OTS offer is not found acceptable by the Corporation, such down payment would be refunded without interest.

Timelines for processing proposals under OTS

The timelines for processing proposals under OTS is 90 days from the date of OTS application. The approving authority of OTS is Board of SIPCOT.

Examination of OTS proposal

Essential factors

Essential factors that need to be kept in view while pursuing OTS are:

- ❖ The quality of the security available and the age since the account ceased to generate income.
- ❖ Net Present Value of the realizable value of the security charged and net worth of the borrower / promoter(s) / guarantor(s).
- ❖ Present status of the borrower unit / company and its financial performance
- ❖ Possibility of better recovery through other means, including through legal recourse.
- ❖ Envisaged means of raising funds by the borrower/promoters for meeting the OTS payment.
- ❖ Consideration / approval of OTS by other lenders and comparison of terms thereof with that offered to the Corporation.

Valuation of Security Assets:

Valuation of Assets

As any compromise settlement would generally involve sacrifice on the part of the Corporation, the assets charged to the Corporation should be got valued by an empanelled valuer of TIIC, to assess its realizable value. Based on the realizable value, alternative courses of action should be weighed upon. While comparing the realizable value of assets with the recoverable dues, the net fixed assets, wherever

possible, as per latest balance sheet should also be looked into to satisfy that any variance with the realizable value given by the valuer is reasonable. Reasons for such variation, if warranted, should be commented upon, while recommending the case for OTS. A second valuation shall also be done by the Internal Valuation Committee as a matter of abundant caution.

The Internal Valuation Committee will be framed with the following Officers:

1. Project Officer (located nearby the Assisted Unit) – Member and Co-ordinator
2. Officer in the rank of Tahsildar and above (on deputation to SIPCOT) for Valuation of Land.
3. Officer in the Rank of Asst Executive Engineer / Asst. Manager (Civil) and above including deputationists for valuation of Buildings and Plant & Machinery.

Valuation Report – Validity

While considering the OTS proposal, it is to be ensured that the valuation of securities is not more than one year old and the approved Engineers and the Internal Valuation Committee are providing Guide line value, Market Value, Realisable Value and Distress Sale Value in the valuation reports. Besides the report shall mention the classification of property viz. commercial / residential / industrial / agricultural and location of property i.e. Corporation / Municipal towns / Villages. The Internal Valuation Committee shall also report on the functioning status of the unit.

Realizable Value – Validity

The Realizable value should be based on valuation carried out as on a recent date, preferably after receipt of the OTS offer. Such valuation if already done, should normally not be more than one year old. At the time of offering the assignment to the valuer, it should be made clear that the realizable value of the assets, which would be the possible realization that the Corporation could expect out of their immediate sale, should be clearly indicated.

Net Present Value (NPV):

The OTS amount should generally be not less than the NPV of the realizable value of available securities. The NPV of realizable value of available securities should be assessed objectively.

Thus, if in any case OTS proposed to be accepted is less than the NPV of securities, the reason therefor should be clearly spelt out. NPV of realizable value of available securities has to be compared with the OTS amount offered. Efforts should be made for maximizing recovery.

Following aspects are to be taken into account while calculating NPV of securities:

- a) NPV of securities is to be computed only on **Realizable Value** of the securities and not on the Market Value. It is to be ensured that Guideline Value (GV), Market Value (MV), Realizable Value (RV) and Distress Sale Value (DSV) are furnished in the Panel Valuers Valuation Reports and the Internal Valuation Committee Report. Realizable value only is to be taken for computation of NPV.
- b) The higher of the two Realizable values should be reckoned.
- c) NPV to be arrived at after deducting cost of realization from the Realizable Value. The Cost of Realization to be determined as under:
 - i) Where the RV is upto Rs.100.00 lakhs : 5% of RV of the security
 - ii) Where the RV is more than Rs.100.00 lakhs: 3% of RV of the security

NPV, net of cost of realization will be reckoned as the NPV of the security.

The Net Present Value is arrived at based on future cash flows. It factors the time taken for realizing a particular amount. It is the present value of amount/s that may be recovered at a future date/s. Assuming that the likely time that may be required to realize the value of security is two years, the NPV of that asset/s today will be less than the realizable value. It is arrived at by discounting the Realizable Value of the available security and is calculated by applying a discounting rate, with annual compounding.

- a) For arriving at NPV of the realizable value of the available securities, the NPV is to be calculated by applying the discount rate. The rate to be applied is 10%.

b) The discounting factor for finding out NPV of future amount at different discounting rates is shown in a separate table given below. The Realizable Value of Securities (net of cost of realization) should be divided by the factor for the specific discount rate for the specific number of years.

c) The number of years to be applied is the time taken for realization of securities which depends upon case history, type of property, location of property, etc. the number of year / time for this purpose should not exceed for:

Sl.No.	Classification	Corporation Limits	Municipal Limits/ Towns	Villages
1	Commercial properties	1	2	3
2	Houses / Residential properties, plots	1	2	3
3	Industrial properties	2	3	3
4	Agricultural Land	2	3	3
5	Plant & Machinery	3	3	3
If the asset is under possession for more than 5 years or auctioned for more than 3 times, then NPV may be arrived by discounting for 4 years, irrespective of the type and location of property.				

Where there are different types of securities available in the same borrowal account, NPV net of cost of realization for each type should be calculated by applying the relevant discounting factor for the relevant year and sum of the different NPVs (net of cost of realization) to be compared with the OTS amount.

FACTOR FOR ARRIVING NPV	
Period	Discount rate to be applied
1 year	1.1000
2 Year	1.2100
3 Year	1.3310
4 Year	1.4641

To get Net Present Value, divide the Realizable Value less cost of realization by the above factor.

Definition of the terms used in the OTS Policy

Crystallization date	The last date of the month, when the OTS request is submitted to the Board for approval.
Total dues	Total dues is the Principal + Interest + Funded Interest (if any) + Interest on Funded Interest on the crystallization date.
Notional Dues (ND)	Outstanding balance as on the date of last disbursement. (+) Simple interest on the outstanding balance at the rate charged to the unit during the tenure of the loan from the date last disbursement upto crystallization date. (-) Repayment made in Principal and Interest after the date of last disbursement. (irrespective of appropriation)
Net present value (NPV)	Net Present Value of securities is computed by discounting realizable value of securities, net of cost of realization, as applicable at a discount rate of 10% for the realization periods stipulated for various securities.
Sacrifice (waiver)	Total dues minus OTS amount approved

Minimum Settlement Amount

Term Loan units including technically written off cases	<p>a) Notional Dues: Outstanding balance as on the date of last disbursement. (+) Simple interest on the outstanding balance at the rate charged to the unit during the tenure of the loan from the date last of disbursement upto crystallization date. (-) Repayment made in Principal and Interest after the date of last disbursement. (irrespective of appropriation)</p> <p>b) IRR OTS amount to cover IRR of 13%.</p> <p>c) Net Present Value of the Realisable value of securities Discounted at 10% for applicable years</p> <p>Minimum OTS amount: Lower of (a) or (b) or (c) plus other Dues with applicable interest.</p>
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Screening and Negotiation Committee:

The proposal of F&R Department duly vetted by IA Department for minimum OTS amount shall be submitted to this Committee for negotiation and arrive at the OTS amount.

The Managing Director shall be the Chairman of the Committee

Other Members:

1. General Manager(A&LA)
2. General Manager(P&D)
3. Chief Financial Officer
4. S.E. or SE i/c
5. AGM (Legal)
6. AGM (Internal Audit)
7. AGM(Development) in case the assisted unit is an allottee of SIPCOT.
8. AGM(F&R) – Member and Convener

The Committee also scrutinize the proposal for fixing the upset price in respect of sale of assets of the possession taken units by SIPCOT and recommend the upset price for approval of MD.

Communication of OTS Approval:

On receipt of communication regarding approval of OTS proposal by the approving authority (Board of SIPCOT), the OTS approval letter should be issued to the borrower unit / company. It should be ensured that all the terms & conditions, as stipulated by the approving authority, have been duly incorporated in the OTS approval letter.

OTS – Payment Terms:

The OTS payment terms should be broadly structured on the following lines:

- ❖ The OTS amount should normally be paid in one lump sum, within a period of one month, from the date of issue of OTS approval letter to the borrower unit / company.
- ❖ Where the borrower unit / company is not able to pay the OTS amount in one lump sum, a reasonable portion of the crystallized OTS amount should be insisted for payment, upfront.
- ❖ In such a case, 20% of the approved OTS amount should be made payable as first instalment, within one month of issue of the OTS approval letter

- ❖ The balance amount should be made payable, within a short period thereafter, and in any case not exceeding 6 months from the date of issue of OTS approval letter, with applicable interest.

Follow-up Aspects

The OTS approval accorded by the Corporation might not necessarily result in full recovery of the settlement amount in case the borrower unit / company does not honour its commitment. It would, therefore, be prudent to maintain proper follow-up in the OTS cases also. The normal follow-up requirements such as renewal of insurance policy, periodic site visits, calling for progress reports / financial statements, wherever applicable, should be ensured to the extent possible as per the extant instructions, so as to take care of the Corporation's interests.

Extension of OTS Payment period

The condonation of delay in settlement of accounts may be considered on merits, with applicable interest by the Managing Director upto 2 years.

The condonation of delay of more than two years in settlement of account under OTS, for the units in exceptional cases, will be considered by the Board, with applicable interest, on case-to-case basis.

Payment of Interest during OTS period

While settling the account under OTS, the settlement of account vis-à-vis charging of interest, till date of settlement, will be as under :

- i. No interest need to be paid, if the account is settled within one month.
- ii. For settlement beyond one month upto one year period, Simple Interest at 13% p.a. will be charged from the crystallization date till the date of settlement.
- iii. Beyond one year, if the concern is coming forward for settlement, then for the first year, Simple Interest at 13% p.a. will be charged and then for the period from second year onwards compound interest at 13% p.a. will be reckoned for compounding the interest at quarterly rests from the crystallization date, till the date of settlement.

Approval of Changes / Modification in Terms of OTS

Any changes / modification or relaxation in the terms of the OTS approval, other than the extension of payment period, can be considered only by the Board, subject to overall conformity of the proposal to the extant OTS guidelines. Any change in the original terms of the OTS approval being agreed to should be communicated to the borrower unit / company and should also be got duly accepted by the authorized official / person of the borrower unit / company.

Withdrawal of OTS approval

In respect of cases where the borrower unit / company is not found to be honouring the OTS payment, even after persistent follow up, it would be necessary to withdraw the OTS approval and initiate / pursue appropriate legal action for recovery of the Corporation's dues. The powers for withdrawal of approval in respect of all OTS cases, the initiation / pursuing of legal action could, thereafter, be got approved from the Managing Director.

Release of Security Documents / Issue of No Dues Certificate

Only after the approved OTS amount, along with interest thereon, has been received in full as per the terms of OTS approval, the security documents should be released to the borrower unit / company/ other charge holders, as applicable. No Dues Certificate, if required, should also be issued only thereafter.

General Guidelines

- i. There shall not be reversal of interest earned / credited to the loan account.
- ii. Waiver shall not exceed the interest outstanding and shall result in collection of the entire principal disbursed and simple interest together with other dues, except the cases where the realizable value is very low.
- iii. Wherever borrowers have filed cases against SIPCOT / made counter claim, settlement under the Scheme shall be subject to withdrawal of the case / counter claim.
- iv. The revised OTS scheme indicated above will not be applicable to those borrowers, where an OTS has already been granted earlier, unless the approval has since been withdrawn / legal action initiated and in such cases the approving authority shall take into account the OTS offers received earlier.

- v. OTS approval will be valid for one year if part of OTS amount is received within 3 months. If no payment is received within 3 months, the OTS approval will stand withdrawn.
- vi. The decision of SIPCOT regarding eligibility, interpretation of the OTS policy and offering OTS to individual units shall be final and binding upon the borrower and without prejudice to the rights and remedies available to SIPCOT relating to recovery, which shall be invariably mentioned in all communications related to OTS settlement.
- vii. Any relaxation to the OTS policy shall be approved by the Board.

AREA DEVELOPMENT DUES :

The Area Development Dues outstanding (excluding the dues during possession period of SIPCOT) with simple interest @ 15.5% p.a. till the date of settlement along with OTS amount will be collected in respect of the SIPCOT assisted units which are located in SIPCOT Industrial Complexes/Parks/Growth Centres.

.....

ENCLOSURE**Specimen of OTS Application Form**

(To be submitted on the letter head of the borrower unit/company)

Date:

The Managing Director,
SIPCOT Limited.

Dear Sir,

Sub: One Time Settlement of dues payable to SIPCOT

In connection with outstanding dues payable by our unit / company to SIPCOT, we would like to propose One Time Settlement (OTS) of our dues so as to amicably close our account with SIPCOT. In this connection, we furnish below the following details of our offer for your kind consideration.

Sl.No.	Details	Rs.
1	Total outstanding liability to SIPCOT as on (Position as of the previous month in which OTS application is received)	
2	Amount proposed to be paid by the unit / company towards OTS (Break-up towards principal, interest and other charges)	
3	Amount of waiver / sacrifice sought from SIPCOT	
4	Terms of payment of the proposed OTS amount (Period of payment proposed like one lumpsum, immediate down payment of % and balance in instalments of Rs..... Each.	
5.	Salient operation and financial highlights of the unit / company for the last 3 financial years (Audited Balance Sheet of the unit / company for the last 3 years / provisional results for the incomplete years as on to be enclosed).	
6.	Reasons for approaching SIPCOT for OTS	

Sl.No.	Details	Rs.
7.	Sources of OTS payment proposed (by promoters / guarantors, internal generation, etc.	
8.	The present level of operations of the unit / company In case the unit / company is not in operation, how long ceased to be in operation and reasons thereof.	
9.	Details of dues, if any, to other Institutions and working capital Bankers, including details of settlements reached with them, if any.	
10	Net worth statements of Proprietor / Partners / Directors / Guarantors duly certified by the Statutory Auditors in the case of a company and by a Chartered Accountant in other cases.	
11.	Any other particulars that may be relevant to mention.	

2. We would request you to consider our above offer and advise us of the decision taken in this regard at an early date. Should you require any further information / clarification we would be happy to provide the same to you.

3. Further, we note that as per the Corporation's Policy, the Corporation reserves the right to enhance the OTS offer, keeping other factors in view.

Managing Director / Authorised Official ,
Proprietor / Partner

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LTD
19-A, RUKMANI LAKSHMIPATHY ROAD, EGMORE, CHENNAI-8

O.O.No.38/2019

Dated:7.11.2019

OFFICE ORDER

Sub: SIPCOT- TERM LOAN LENDING ACTIVITY - RECOVERY OF
DUES THROUGH ONE TIME SETTLEMENT (OTS) - REVISION
OF POLICY AND GUIDELINES - BOARD'S APPROVAL - REG.

The Board of SIPCOT at its meeting held on 31.10.2019 has approved the "Revised policy and Guidelines" for the One Time settlement (OTS) of Term Loan dues by the assisted units by modifying the rate of interest as proposed in the Board Note from '2% to 4%' and '4% to 6%' for Category-I.

Further approved to collect the outstanding Area Development dues excluding the dues for the possession period of SIPCOT at the interest rate as applicable to the respective Category in the OTS policy till the date of settlement along with OTS amount by the assisted units.

This revised OTS policy is effective from the above mentioned date of Board Meeting.

The processing fee to be collected along with OTS application is Rs.25,000/- (Rupees Twenty five thousand only) (non-refundable) + GST as applicable.

The above Office order is issued in supersession of all earlier proceedings/ Circulars/Office orders issued in this regard.

Sd/-xxx
J.KUMARAGURUBARAN
MANAGING DIRECTOR

To
All General Managers
All HODs
All Project Managers/All Project Officers/P.O. i/c.
PS to MD
PS to ED

/Forwarded by order/


DEPUTY GENERAL MANAGER(F&R)

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LTD
19-A, RUKMANI LAKSHMIPATHY ROAD, EGMORE, CHENNAI-8

O.O.No.40/2019

Dated: 18.11.2019

OFFICE ORDER

Sub: SIPCOT- TERM LOAN LENDING ACTIVITY - RECOVERY OF
DUES THROUGH ONE TIME SETTLEMENT (OTS) - REVISION
OF POLICY AND GUIDELINES - BOARD'S APPROVAL - REG

Ref: O.O.No.38/2019 Dated: 7.11.2019

.....
In continuation of the O.O. cited above, the categorisation of the assisted units and concessions to be extended for One Time settlement (OTS) of Term Loan dues by the assisted units as approved by the Board on 31.10.2019 is given below:

CATEGORY - I:

Condition	OTS amount	Concessions to be extended
The market value of the primary and the collateral security (valuation done by TIIC/IT panel valuer within one year) is less than the term loan principal outstanding to SIPCOT, TIIC and other institutions.	The OTS would be principal + other dues + 4% simple interest will be charged on the principal outstanding as per books of accounts of SIPCOT and the interest amount already paid by the company will be adjusted against this component. In case the interest already collected by SIPCOT is in excess of 4% simple interest the OTS amount would be principal outstanding and other dues.	Waiver of penal interest, additional interest levied due to foreclosure effect, interest on interest and part of simple interest.
The market value of the primary and the collateral security (valuation done by TIIC/IT panel valuer within one year) is more than the term loan principal outstanding to SIPCOT, TIIC and other institutions.	The OTS would be principal + other dues + 6% simple interest will be charged on the principal outstanding as per books of accounts of SIPCOT and the interest amount already paid by the company will be adjusted against this component. In case the interest already collected by SIPCOT is in excess of 6% simple interest the OTS amount would be principal outstanding and other dues.	Waiver of penal interest, additional interest levied due to foreclosure effect, interest on interest and part of simple interest.

.2.

CATEGORY-II:

In respect of all other units which are not covered under Category-I, the same will be examined and placed before the OTS Committee/Board for consideration and approval on case to case basis depending upon the merits of the case.

Further approved to collect the outstanding Area Development dues excluding the dues for the possession period of SIPCOT at the interest rate as applicable to the respective Category in the OTS policy till the date of settlement along with OTS amount by the assisted units.

This revised OTS policy is effective from the above mentioned date of Board Meeting.

The processing fee to be collected along with OTS application is Rs.25,000/- (Rupees Twenty five thousand only) (non-refundable) + GST as applicable.


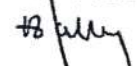
The modus operandi for implementing OTS is enclosed as Annexure.

The above Office order is issued in supersession of all earlier proceedings/ Circulars/Office orders issued in this regard.

Sd/-
J.KUMARAGURUBARAN
MANAGING DIRECTOR

To
All General Managers
All HODs
All Project Managers/All Project Officers/P.O. i/c.
PS to MD
PS to ED

/forwarded by order/


DEPUTY GENERAL MANAGER(F&R)


MODUS OPERANDI FOR IMPLEMENTING OTS

- i. 10% of the principal outstanding amount has to be paid as upfront fee at the time of application for One Time Settlement along with the processing fee of Rs.25,000/- (Rupees twenty five thousand only) with applicable GST.
- ii. If the upfront fee (down payment) is remitted by a third party on behalf of the unit/company the amount so received shall be kept in Sundry deposit account and in case the OTS offer is not found acceptable by the Corporation such payment would be refunded without interest.
- iii. The company should convey its acceptance of OTS offer and pay 25% of the OTS amount within 15 days from the date of communication.
- iv. The company shall pay the entire balance OTS amount within 90 days from the date of communication.
- v. MD may accord Extension of Time upto 12 months from the date of communication.
- vi. The OTS amount would carry a simple interest at the rate of 13% p.a. from the 91st day of OTS communication letter.
- vii. The request of the assisted units for OTS has to be placed before the OTS Committee/Board of SIPCOT for approval / sanction.

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LIMITED
19-A, RUKMANI LAKSHMIPATHY ROAD, EGMORE, CHENNAI-600 008

O.O.No.40/2020

Dated: 17.9.2020

OFFICE ORDER

Sub: SIPCOT - Recovery of Term Loan dues from the units through One Time Settlement (OTS) - revised policy and guidelines approved by the Board - assignment of work - reg.

The Board of SIPCOT at its meeting held on 31.10.2019 has approved the revised OTS policy and guidelines for One Time Settlement of term loan dues by the company with a reduction in the interest rate to bring uniformity and objectivity in approach. The following units are opted for One time settlement. However the proximity and vicinity of the said units are near our Project Offices concerned. Hence the concerned Project Officers are hereby instructed to contact the companies allotted to you and appraise our OTS policy and ensure they approach H.O. for settlement of their term loan dues immediately without any delay.

Sl. No.	Name of the Unit and address	Principal outstanding of the unit (Rs.in lakhs)	Work assigned to
1.	Amirthalakshmi Spg.Mills P.Ltd. SF No.107-B, Kunnathur Road, Seenapuram, Perundurai-638 067 Erode District. Cell:93622 99991	Rs.209.82	Project Officer, Perundurai
2.	Indo Leena Bio-Tech P.Ltd. RMS Complex, 3-148D, Trichy Road, Nammakkal-637 002.	Rs.57.65	
3.	BVV Paper Industries Ltd. Swaminathapuram, Madathukulam-642 113, Udumalpet Taluk, Tirupur District. Phone: 04252-252531	Rs.110.36	
4.	Cheran Cements Ltd. Kunnagounda patty, Krishnarapuram Taluk, Vaigainallur via - Karur District-639 120. Phone:04323 252263/252563	Rs.246.41	Project Officer, Pudukottai

5.	A.R.Mettalurgicals, 202A, 2nd floor,136, Cears Plaza, Residency Road, Bangalore-25. 61st KM Bangalore Krishnagiri Road,Nallaganakotthapallai Village,Shoolagiri Block, Hosur Taluk.	Rs.31.34	Project Officer, Hosur
6.	SSD Spinning Mills Ltd. 722A, Main Road,Kovilpatti-628501 Phone:04632-220025/220295	Rs.188.40	Project Officer, Tuticorin
7.	Siva Cotton Mills (India) P.Ltd. Door No.16, Nadar New Street, Usilampatti (Post) Madurai-626 532 Cell: 94433 71388	Rs.191.58	Project Officer Manamdurai
8.	Govardhan Spinners Ltd. S.No.496/6, 498/2&3,522/7&8, Munnilaikottai Village, Aathur Taluk, Dindigul District	Rs.250.00	Project Officer Nilakottai
9.	Madras Elastomers Ltd. (Avadh Rail Infra Ltd.) P-A5 Industrial Complex, Maraimalai Nagar, Kanchipuram District-603209.	Rs.5.85	Project Officer, Gummidi poondi
10.	NEPC India Ltd. 36, Wallajah Road, Chennai-2	Rs.90.50	
11.	Standard Scren Film Mfg.Co.P.Ltd. No.2, Thiruvalluvar Salai, Kumaran Nagar, Sholinganallur, Chennai-600 119. Cell: 94443 73355	Rs.138.68	
12.	Pandian Fisheries Ltd. 1, Govindan Street, Ayyavoo Naidu Colony, Aminijikarai, Chennai-600 029. Cell No.98401 70076/94440 11614 98401 70076	Rs.51.67	
13.	Pavithra Graphics Ltd. New No.62, third street, Railway colony, Nelson Manickam Road, Chennai-600 029.	Rs.209.98	
14.	Devakar Hotels Ltd. No.1/455, Vembuliamman Koil Street, Natesan Nagar, Kottivakkam, Chennai-600 041.	Rs.423.05	
15.	M/s.Sri Subramaniya Spg.Mills Ltd. 58/113, Coaral Merchant Street, Mannady, Chenna-600 001. Cell No.94440 40218	Rs.295.90	

An Office order (O.O.No.40/2019 dt.18.11.2019) issued in this regard is enclosed for your reference. As per new OTS policy, the company has to remit Processing Fee of Rs.25,000/- + GST @ 18% of Rs.4,500/- along with 10% upfront fee of on principal outstanding and the last 3 years annual reports along with application form and affidavit which is enclosed.

The payment should be made through RTGS at **SIPCOT Limited,**
A/C No.6146551084, Indian Bank, Ethiraj Salai Branch, Chennai-600 105
IFSC Code No.IDIB000C032.

Sd/-
(J.KUMARAGURUBARAN)
MANAGING DIRECTOR

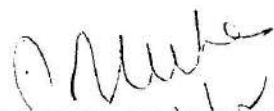
To
The Project Officers concerned as above.

Copy to:

GM(F)
SE
All HODs
CT (Operations)

PA to MD
PA to ED

/Forwarded by order/


GENERAL MANAGER(F)

3. SFC OP CASES

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED
19-A, RUKMANI LAKSHMIPATHY ROAD, MADRAS -8.

....

No.E1/Misc./59 /91

Dated : 25 .11.1991

CIRCULAR

- Sub : SIPCOT - Providing Security Services to the Units taken possession by SIPCOT under S.F.C. Act/SIPCOT properties at Industrial Estates.

It has already been decided as a matter of policy to utilise the services of Security Bureaus for safeguarding the mortgaged assets of the defaulting units taken possession by SIPCOT under State Financial Corporations Act 1951 and also for safeguarding the properties of SIPCOT at Industrial Estates. Accordingly, the said work is now being entrusted to the local security Bureaus on tender basis subject to specific guidelines/conditions already issued in this regard separately for each. (Ref.O.O.4/91 dt. 18.1.1991, O.O.7/91 dt. 12.2.1991 & O.O.No.9/91 dt. 11.3.1991.)

With a view to have effective control over this work, it has now been decided to introduce a new system of having an approved panel of Security Bureaus at Central Office for this purpose and call for quotation from the local Security Bureaus of the area in which the security service is required to be provided within the approved panel. Under the new system, the following procedures/ guidelines will be adopted in common by the concerned officials in providing security services for both the purposes aforesaid in supersession of all the orders already issued in this regard.

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(1) A copy of the approved panel of Security Bureaus shall be communicated to all the concerned Officers every six months. The Panel for the first six months valid from the date of this circular is enclosed as Annexure-I.

(2) As for the posting of Security Guards to safeguard the properties of Units taken over possession under State Financial Corporation Act, the concerned HOD in Central Office in consultation with the concerned Project Officer under whose jurisdiction the unit is situated shall send necessary proposals to Personnel Department well in advance, not less than one month before taking over of the assets of the unit, with specific number of security personnel required to be posted and the period of posting for approval. The approval in the matter should be obtained from C.M.D.

(3) As soon as the specific approval from C.M.D. is obtained the concerned Project Officer shall call for quotations from the local security bureaus from among the panel approved and communicated to him, in the prescribed form of letter, enclosed as Annexure - II (containing the quotation call letter, instructions to tenderers, specification regarding work and terms and conditions of work to be entrusted, specimen copy of Agreement to be executed between SIPCOT and the successful tenderer, Specimen form for details of performance to be furnished by the tenderer). The Project Officer concerned shall furnish the details of the place of work, nature of work, number of security personnel required to be posted, the quantum of E.M.D. to be remitted by the tenderers and the last date and time for submission of the quotation by tenderers at the appropriate places in the quotations call letter and send it to all the Security Bureaus to whom the quotations have been ordered to be called

..3..

for by Registered post with acknowledgement due. Quotation may be called for more than one unit at a time.

(4) As for the posting of Security Guards to safeguard SIPCOT properties at the Industrial Estates, the same shall be permitted only in exceptional circumstances. The Project Officers of the Industrial Estates, where the services of Security personnel is necessarily required to ensure safety of Corporation properties at the sites, shall send necessary proposals with full justification in detail to the Executive Engineers of their Divisional Office, who shall examine it in detail and if they satisfy that there is need for posting of Security Personnel, shall forward it to the General Manager (P&D) at Central Office with their specific recommendations. For this purpose, the Executive Engineers have to study the requirement of Security Guards in these places. The General Manager (P&D) in Central Office shall get approval from C.M.D in the matter in every case by processing the file through Personnel Department.

(5) On getting specific approval from C.M.D. the concerned Project Officer shall call for quotations from all the local Security Bureaus in his area in the same manner as in the case of posting of Security Guards to Sick Units taken possession by SIPCOT.

(6) No temporary arrangement of security service by any of the security bureau in the approved Panel or the other is allowed hereafter under any circumstances.

(7) The quantum of EMD for each Unit/Industrial Estate where the Security Guards to be posted does not exceed ten in numbers shall be Rs.4000 /-

(8) The quotations so received from the tenderers shall be finalised by the Project Officer concerned at their end with reference to the rates and all other terms and conditions and procedures in this respect and submit the same for the approval of the E.E. of the concerned Divisional Offices. The P.O. will then issue Acceptance letter to the successful tenderer in the prescribed format (enclosed as Annexure-III) by Registered post with acknowledgement due. He will enter into an agreement in the specified format only after the accepted tenderer remits the required amount

towards Security Deposit. Whenever an agreement is executed with a Security Bureau, a copy of the same shall immediately be referred to Legal Department in Central Office for verification of its correctness.

(9) The Project Officers shall have powers to call for quotation to finalise them with the approval of Executive Engineers of their Divisional Office, to issue acceptance letter and to execute agreement on behalf of SIPCOT subject to the procedures and terms and conditions issued in this Circular and as well as the quotation call letter and acceptance letter. They will be fully responsible for all matters relating to entrusting of security work with the Security Bureau accepted.

(10) The period of contract for providing Security Personnel for a particular work will be for one year only from the date of taking over the site by the accepted Security Bureau which shall be liable for termination on one month's notice on either side without assigning any reason therefor. The Contract period is not a renewable one for further period.

(11) In the cases where the Security Services is continuously required for further period, the concerned HOD in the Central Office/Project Officer as the case may be shall send necessary proposals to the authority concerned in the same manner as specified in para 2 & 4 above well in advance not less than two months before the expiry period of the contract.

(12) In any case, the same security Bureau shall not on any account be engaged continuously for the second year for a particular work. There should be an interval of minimum one year if it is to be reengaged again. As such in the case where the Security Service is ordered for the second year, the quotations should be called for from all other local Security Bureaus excluding the one earlier appointed during the period immediately expired.

(13) The concerned HODs in Central Office and the Project Officers shall take immediate steps in providing Security arrangements for safeguarding the properties of sick units taken possession by SIPCOT under SFC Act/for safeguarding the SIPCOT properties at the Industrial Estates under the new system in respect of all the cases where such an arrangement has already been made prior to issue of this circular and still in continuance. No proposal need be sent

to Central Office for approval afresh in these cases.

(14) The services of these Security Bureaus irrespective of the fact that they are in the approved panel or not and arranged temporarily or regularly on an agreement shall be terminated by giving proper notice to them by the Project Officer concerned, wherever such notice is necessary from the date of taking over the site by the accepted Security Bureau under the new system.

(15) The monthly bills for payment to Security Bureau shall be allowed by the Project Officer concerned only on production of log-book extract (Attendance Register) duly certified and countersigned by a responsible official of his office who is authorised by him to have supervision over the Security work.

(16) The Project Officer shall make surprise checks of the Security work then and there and report to Central Office immediately if there is any slackness or shortfall of the Security arrangements.

(17) The following ~~the~~ Department in Central Office should ensure that the assets of the units taken possession are insured against theft, pilferage, burglary, decoity, fire flood and natural calamity etc. with an inventory of all fixed assets and current assets and furnish these details to the Project Officer concerned, who is to make security arrangement to the unit

(18) As for the expenditure incurred in posting of Security Guards for safeguarding the unit taken possession under SFC Act the same shall be debited to the account of the respective unit by the concerned Department in Central Office. To facilitate this, the Project Officer has to report promptly to the concerned Follow-up Department of Central Office on making payment in these cases. As for the expenditure incurred in safeguarding the SIPCOT properties in the Industrial Estates it is chargeable under the maintenance account of SIPCOT Industrial Estate concerned prepared for the annual estimate in respect of Industrial Estates.

(19) For entrustment of a Security Work of SIPCOT with a Private Security Bureau on contract basis SIPCOT is required to be registered as the Principal Employer under Section 7 of the Contract Labour (Regulation and Abolition) Act, 1970. As such, whenever the security work is

entrusted with a Security Bureau under the new system, the Project Officer concerned shall themselves apply for registering their names by designation on behalf of SIPCOT as the Principal Employer to the authority notified in the District/Area and obtain a certificate of Registration under the said Act. They shall also comply with the requirements under the Act consequent on such registration. They shall also issue a copy of the certificate so obtained to the successful tenderer to enable him to obtain and produce to us the required licence under the said Act within the allowed time as specified in the specification furnished to the tenderers along with the quotation call letter.

(20) Any local Security Bureau which does not find place in the approved Panel intends for inclusion of its name in the approved panel, the Project Officer concerned may obtain the required particulars of such Security Bureau in the proforma prescribed (a copy of which is enclosed as Annexure-IV) and forward it to Central Office for consideration.

(21) The Project Officers are to send a monthly report in the form prescribed in Annexure-V, to Central Office, to enable supervision by the Central Office. Every such report shall be sent to reach Central Office within 10th of the month following the month to which the report relates.

(22) The Project Officers are requested to acknowledge the receipt of this Circular immediately.

(B. VIJAYARAGHAVAN)
CHAIRMAN & MANAGING DIRECTOR.

To

All General Managers.

The Superintending Engineer and the Executive Engineers.

All Heads of Departments

All the Project Officers

All the Recovery Units.

Copy to : P.S. to CMD

Accounts Section.


DEPUTY MANAGER (PERSONNEL).

APPROVED PANEL OF SECURITY BUREAUS

1. Guardian,
34, Naicker New Street,
Madurai 625 001.
2. Reliance Security Agency and
Ex-Servicemen Rehabilitation Trust,
7, Kannadasan Main Street,
Muthukumarasamy Nagar,
J.J. Colony, Madurai 625 016.
3. Topas Security Service,
14, Y.M.C.A. Building,
Madurai 625 001.
4. Southern Security Bureau (Pvt) Ltd.,
30, Nehruji Nagar,
Dindigul 624 007.
5. The Security and Detective Bureau Ltd.,
17, Cathedral Garden Road,
Madras : 600 034.
6. Tamil Nadu Ex-Servicemen's Corporation Ltd.,
No.2 Dorairaj Lane,
Palavanthangal,
Madras : 600 114.
7. Industrial Security and Intelligence,
10, Sasthri Street, Shanthi Nagar,
Madras : 600 093.
8. Loyal Security Services,
8, Dhamodhara Mudali Street,
Spur Tank Road, Chetput,
Madras : 600 031.
9. Ashok Security and Detective Bureau,
32, Desika Road,
Mylapore, Madras - 600 004.
10. Great Ex-Servicemen Security &
Transport Services (Pvt) Ltd.,
581, 3rd Floor, Anna Salai
Teynampet
Madras 600 006.
11. Linge Gowda Detective & Security
Chambers (Pvt) Ltd.,
475/31-A Zaman Flats,
Anna Salai, Nanadanam,
Madras 600 035.
12. Sri Mookambigai Detective &
Security Bureau,
297, Chandra Bavan Building
Royapettah High Road,
Madras : 600 014.

13. Southern Security Service,
27, Peramanur East Street,
Salem 636 007
14. Sri Buvaneswari Security
Service Pvt., Ltd.,
158, Raju Naidu Road,
Tatabad,
Coimbatore 641 012.
15. M/s. Top Security and Detective Service
C/O. Hotel A.R.R.
21, T.S.R. Big Street,
Kumbakonam 612 001.
16. M/s. Ex-Servicemen Security Bureau,
"Sumangali".
B/72 Anna Colony,
Besant Nagar,
Madras : 600 090.
17. Sri Guruvayurappan Security Bureau,
100, Vakil New Street,
Madurai 625 001.
18. Sincere Security Services,
35, Naicker New Street,
Madurai 625 001.

ANNEXURE - II

(PROFORMA OF TENDER CALL LETTER TO BE SENT TO THE
SECURITY BUREAUS FOR GIVING THEIR OFFER)

BY REGD.POST / ACK.DUE

SIPCOT

From

To

Project Officer,
SIPCOT Indl. Complex,
.....
(full postal address)

M/s.....

Lr. No.....dt.....

Dear Sirs,

Sub : Security - Supply of Security Personnel
for safeguarding the assets of M/s.....
at...../assets of SIPCOT
Industrial Estate at
Tender called for.

You may please quote in duplicate your lowest rates for providing Security Personnel for the work specified in the schedule enclosed. The quotation in duplicate should be addressed to the Project Officer, SIPCOT Indl. Complex(full postal address).....by designation only and sent in a sealed envelope, superscribed as "QUOTATIONS AGAINST REF.NO....(Quotation Call Lr.No.) DUE ON.....FOR PROVIDING SECURITY PERSONNEL". The quotation may be sent so as to reach this office not later than 12.00 Noon on The quotations will be opened at 3.00 p.m. on(same day) in the presence of tenderers, who wish to be present. Detailed instructions to the tenderers and specifications regarding the work are enclosed. The quotations received after the due date and time will be rejected.

..2..

.2.

Due date and time for receipt of tender : 12 noon on

Due date and time for opening of tenders : 3,00 p.m.on.....

PROJECT OFFICER

Encl: 1) Instructions to Tenderers

2) Specifications

3) Schedule

4) Specimen copy of agreement.

5) Specimen form for details of performance.

ACTIONS TO TENDERERS:

Tenders in duplicate superscribed on the envelope as
QUOTATIONS AGAINST REF.NO. DUE ON
for providing Security Personnel" and with details regarding
EMD and with the Schedule duly filled in are invited for the
work as indicated in the schedule annexed to the specification.
The proof for having paid the EMD should accompany the
tender envelope at outer side.

II. The Tenders should be sent in a sealed cover addressed
to the Project Officer, SIPCOT Industrial Complex,
. . . so as to reach not later than 12.00 Noon on

NOTE:

In case the due date for tender happens to be a holiday,
the tenders will be received and opened on the immediate
succeeding working day without any change in the timings indicated.
The tenders may be handed over to the Project Officer, if handed
over in person.

III. (1) If the tenderer has any doubt about the meaning of any
portion of this specification, he should at once seek
clarification thereof from the Project Officer SIPCOT Project
Office in writing in order that the doubts may
be got cleared before the submission of his tender.

(2) If the tenderer finds any ambiguity in any of the terms
and conditions stipulated in the specification he shall get
it clarified from the Project Officer, SIPCOT Project Office,
.

If this is not done and subsequent to the opening of
the tenders, it is found that the doubts about the meaning or
ambiguity in the interpretation of any of the terms and conditions
stipulated in the specification are raised by the tenderer either
in his tender or by a separate letter, the interpretation or
clarification issued by the Project Officer, SIPCOT Industrial
Complex, of such of the terms and
conditions of the specification as may be raised by the tenderer
shall be binding on the tenderer.

IV. EARNEST MONEY DEPOSIT:

1. Every tender should be accompanied by Earnest Money Deposit of Rs.4,000/- (Rupees four thousand only)
2. The Earnest Money Deposit specified above should be in the form of Demand Draft from any of the Nationalised/Scheduled Bank drawn in favour of the Project Officer, SIPCOT Industrial Complex and payable at Cheques/Banker's Cheques/Bank Guarantees etc., other than Demand draft are not acceptable towards Earnest Money Deposit.

3. REJECTION

If, on opening of the cover, it is seen that the tenderer has not furnished the requisite E.M.D in the form specified in terms of clauses -IV-1 & 2 above the tender is liable to be rejected.

4. The Earnest Money Deposits of the Tenderer will be forfeited:
 - i. if he withdraws his tender or backs out after acceptance of the Tender or fails to remit the security deposit.
 - ii. if he revised any of the terms quoted during the validity period.
 - iii. if he violates any of the conditions of the tender specification.
5. The Earnest Money Deposit will not carry any interest.
6. The Earnest Money Deposit of the unsuccessful tenderers, will be refunded on their application for refund after intimation is sent to them conveying the rejection of their offer.
7. In respect of the successful tenderer, the E.M.D remitted by him will be carried over as part of the Security Deposit payable by the tenderer.

- V. The tenders will be opened at the office of the Project Officer, SIPCOT Industrial Complex on the due date and time specified in the presence of such of the tenderers who may desire to be present.

VI. The Corporation reserves the right:

- a. To accept the lowest or any tender.

- b. To reject any or all the tenders without assigning any reasons thereof.
- c. To award contracts to one or more contractors.

VII. Tenders received from Agents or dealers will not be considered. The Tenderers are requested to furnish the exact location of their offices with detailed address in their tenders to enable inspection by the Corporation, if considered necessary.

VIII. The tenderers shall furnish copy of the specification along with the tender failing which the tender is liable to be rejected.

IX. Tenders received from those who quote a lesser validity period than that called for in this specification are liable to be rejected.

X. References with photostate copies should be furnished with regard to particulars of work awarded to the tenderers by other Public Sector Undertakings in support of the tenderers credentials and to make the tenderers eligible for consideration in the case of tenderers who have no previous dealings with this Corporation.

XI. The tender is liable to be rejected if it is :-

- a. Not in the prescribed form.
- b. Not properly signed by the Tenderer.
- c. Not in conformity with Corporation's specification.
- d. From a tenderer who is directly or indirectly connected with Government's service, or Corporation's service or service of local authority.
- e. From a tenderer whose past performance was not satisfactory.

SIPCOT

Name of Work : Providing Security personnel to
safeguard the assets of M/s. _____ at _____
SIPCOT Industrial Estate, at _____

SPECIFICATIONS

1. GENERAL:

Quotations should be sent in a sealed cover. The rates quoted should be both in figures and words. The rates written in words will be taken as correct offer. The rates quoted should be firm for the contract period and no variation in rates will be allowed.

The Tenderer should inspect the site, and satisfy himself about the conditions of the site and nature of work before quoting his rate. He shall also carefully study the specifications and the agreement to be entered into by the successful tenderer. The place for which security personnel are required have been indicated in the schedule enclosed. Tenderers should quote on unit/ Estate-wise basis if there is more than one unit/Industrial Estate.

2. SECURITY DEPOSIT:

The tenderer forthwith upon intimation, being given to him of acceptance of his offer by the Corporation should remit a Security Deposit by way of Demand Draft for an amount equal to two percent of the total contract value less the EMD paid by him within seven days which will be returned after the fulfilment of the contract conditions after the final bill.

3. CONTRACT PERIOD :

The period of contract for providing security personnel to SIPCOT will be for one year from the date of taking over the site which shall be liable for termination on one month's notice on either side without assigning any reasons therefor.

4. AGREEMENT:

The successful tenderer has to furnish non-judicial stamp paper for a value of Rs.32.50 (Rupees thirty-two and paise fifty only) to the officer concerned for executing the agreement in his favour for this work.

5. INCOME TAX CLEARANCE CERTIFICATE :

The successful tenderer should send a certificate of Income Tax Clearance Certificate issued by the appropriate Income Tax authority in the prescribed form for verification.

6. LICENCE :

The contractor shall be a 'Registered Contractor' eligible for carrying out Security work possessing a valid licence under Section 12 of the Contract Labour (Regulation and Abolition) Act, 1970 (C.R.37 of 1970) read with Rule 21 of the Tamilnadu Contract Labour Abolition rules 1975.

"The successful contractor shall obtain and produce the Licence under the above said section within 30 days after the issue of Principal Employer's Certificate by the Project Officer, SIPCOT Industrial Complex, _____ to enable him to obtain the Licence from the Inspector of Labour",

"The Tenderer should also given an undertaking as below:-

The Tenderer hereby agrees and undertakes that he shall abide by and conform to the various provision in so far as they relate to him, specified in the Contract Labour (Regulation and Abolition) Act, 1970 and the tender rules thereunder"

7. TERMS OF DEPLOYMENT OF SECURITY PERSONNEL:

i) Security Guards for 3 (Three) shifts per day should be deployed round the clock for the security work.

ii) The weekly off/leave to the guards should be arranged at contractor's end and no rates/wages will be allowed for the reserves engaged in the Security work in the absence of regular staff.

iii) Deployment of the same Security Guards for the subsequent (i.e) 2nd shift will not be permitted in general section 51 and section 65.3 (i) of the Factories Act shall be strictly adhered to.

iv) The bill will be admitted only for the persons present for duty. If the required personnel are not arranged to be posted per shift as contemplated in the conditions, payment will be made only for the persons actually posted.

v) The duty timings, attendance register, activities of Security Personnel, weekly/monthly reports should be sent to the Project Officer, SIPCOT Industrial Complex, _____.

vi) The tenderer shall ensure that the security personnel deputed by them attend their duties in proper uniform with a proper identify badge with pass port size photograph duly affixed., The Security personnel shall conform to the conditions stipulated in Clause-9 below;

vii) The Security Personnel attending their respective shifts should sign in the attendance register maintained for this purpose.

viii) The tenderer shall undertake for replacement of Security Personnel deployed in the Security work entrusted on request for various reasons promptly without any additional cost to the Corporation.

ix) No female guard should be employed.

8. DUTIES AND RESPONSIBILITIES

i) The Security Guards will safeguard Corporation's properties, prevent thefts and unauthorised movement of vehicles and persons within the area of the Unit/Industrial Estate. They will see that there shall be no naked flame within the premises guarded by them.

ii) The tenderer shall take all possible preventive steps against thefts, pilferages etc. and also take necessary measures to safeguard the properties of SIPCOT. In case of theft, pilferages etc. they should report to the Project Officer, SIPCOT Industrial Complex, _____ and keep necessary liaison with the Police officials.

iii) "If it is established by investigation the loss of Corporation property is due to involvement of Security Guards, then the security agencies will have to make good the loss.

iv) If any personal damage or loss is incurred by the security staff while discharging their duties, the Corporation is not bound to make any compensation to the security agency or the security staff.

9. SECURITY PERSONNEL:

The Security Agency should provide for security works only men, who conform to standards of good physique and free from communicable or congenital diseases or major deformalties and age ranging from 18 to 50 years with a minimum educational qualification of a pass in VIII standard. Preferences may also

be given to Ex-Army and retired Police Personnel. The preference is only in the nature of exemption in age upto 5 years beyond 50. Those personnel who are deputed should not have come to adverse notice in criminal cases. Preference may be given to those who know cycling.

10. TERMS OF PAYMENT:

i) Payment will not be made for the Over Time duties performed by the Security Guards. This will be adhered to strictly. In this regard Clause 9(1)(2) of the Shops and Establishment Act, 1947 will be strictly adhered to.

ii) The monthly bills of the Security Agency shall be certified and countersigned about its correctness by an Officer of the Corporation, nominated for this purpose by the Project Officer or the Project Officer himself for payment.

iii) The security Agency shall make payment of salary to the Security staff every month and comply with the provisions of the Contract Labour Act in this regard.

11. PAST PERFORMANCE:

The intending Tenderers shall furnish along with their quotations, the details of various works contracts executed by them for the past three years as on the date of tenders in the proforma enclosed. The details furnished by the Tenderers shall be in complete shape and if it is found omitted, suppressed, incomplete or incorrect, the same will be taken note of while dealing with Tenderer in future. Tenders furnished by the tenderers without these details of their past performance are liable for rejection.

12. VALIDITY:

The validity of the offers shall be for a minimum period of 120 days (one hundred and twenty days). Offers with lesser validity period are liable for rejection.

13. The rates quoted should be firm for the entire period of the contract.

14. The Security personnel shall abide by all the Rules and Regulations of the Corporation.

15. No. accommodation or transport will be provided by the Corporation for the security personnel.

16. The contractor shall ensure that the personnel deputed are not members of any political party or trade union or ex-convict or dismissed employees of SIPCOT or Government and

do not take part in any trade union activities against the interest of SIPCOT.

17. The Security contractor shall provide at his own cost equipments required in connection with security services like torch lights, rain coats, etc.,

18. COMPLIANCE WITH FACTORY ACT, 1948 AND RULES:

The provisions of the Factory Act, 1948, the rules thereunder should be strictly followed. The attention of the Contractor is invited particularly to the following points:

a) The provision of the Factories Act with regard to maintenance of registers and payment of wages to employees must be strictly followed.

b) Accidents to workmen must be reported to the Project Officer, immediately, in addition to giving first aid and sending the injured to Hospital promptly by the Contractor. The Contractor shall also pay any compensation payable under the workmen's compensation act, as result of injury or death caused to any of his workers employed in respect of the Contract. In case the contractor fails to pay the compensation within a reasonable time, the Corporation will arrange to recover the same from the bill and pay to the concerned. The contractor should cover all his employees for accident risk insurance.

c) Any returns called for must be submitted without delay.

19) OTHER GOVERNMENT RULES:

The Security Contractor shall abide by any other rules and regulations that may be applicable to him or his personnel by the State or Central Government from time to time.

20. PAYMENT OF WAGES TO THE PERSONNEL:

The Wages of the Security Guards should not be less than that of the minimum wages prescribed by the minimum wages Act for the Contract Labour.

21. No contiguous clauses, which may put the Corporation to uncertain commitments will be entertained.

22. No compensation of extra amount over and above the amount noted in the schedule would be payable by SIPCOT on account of accident to the Contractor's personnel due to any cause whatsoever.

23. INSTITUTION OF SUITS:

No suit or any proceedings in regard to any matter arising in any respect under this contract shall be instituted in any

Court of Small Causes at Madras. It is agreed that no other Court shall have jurisdiction to any suit or proceedings even though part of the cause of action might arise within their jurisdiction. In case any part of the action arises within the jurisdiction of any of the Courts in Tamil Nadu and not in the Courts in Madras City, then it is agreed to between the parties that such suits or proceedings shall be instituted in court within Tamil Nadu and no other court outside Tamil Nadu should have jurisdiction eventhough any part of the cause might arise within the jurisdiction of such Courts.

SCHEDULE

Name of the Unit(s)/SIPCOT Industrial Estate

_____) Full
_____) address
_____)

DETAILS OF SECURITY PERSONNEL TO BE DEPLOYED

Sl. No.	Name of the Unit(s)/	place/Area	No. of Security Guards required
	SIPCOT Industrial Estate		

TOTAL

Lumpsum rate per month for
providing _____ Security
Guards listed above.

SIGNATURE OF TENDERER.

AGREEMENTAGREEMENT MADE ON

AN AGREEMENT made this day of between the State Industries Promotion Corporation of Tamilnadu Limited, a Company Registered under the Companies Act, 1956 having its Registered Office at 19-A, Rukmani Lakshmipathy Road, Egmore, Madras-8 (hereinafter called the "Corporation" which expression shall wherever the context so admits include its successors-in-office and assigns) of the ONE PART AND (hereinafter called the "Contractor" which expression shall wherever the context so admits, include the partners, Agents, Legal Heirs, Successors-in-Office, Legal representatives and assigns) of the OTHER PART.

WHEREAS the contract is for the provision of Security arrangements for SIPCOT Industrial Estate at /for the Industrial Unit M/s. at NO. the particulars of which are more fully described in the Tender Call Letter Ref. No. dated

WHEREAS the contractor has in his Letter No. submitted his offer to provide the said arrangements for the security works of the SIPCOT Industrial Estate at /for the Industrial Unit M/s. at subject to the terms and conditions set forth in the Tender Call Letter No. dated The Contractor has given the acceptance in their Letter No. dated and other conditions that may be issued from time to time, in consideration of the payment being made for the services rendered at the rates specified in Clause of the Acceptance Letter NO. dated

AND WHEREAS the Corporation in its Acceptance Letter No. dated has accepted the offer of the contractor for the provision of Security Arrangements for SIPCOT Industrial Estate at /for the Industrial Unit M/s. at subject to fulfilment of the terms of the contract.

contd..

2..

It is hereby agreed as follows :

1. In consideration of the payment of Rs.
(Rupees per month, the contractor shall
engage Security Guard(s) and carry out the work in
accordance with the terms and conditions of the contract specified
in tender call letter Ref No. dt. Acceptance
Letter No. dated

2. The contractor shall furnish Security Deposit by
way of D.D. for the due performance of the contract for a sum
of Rs. (Rupees)
.

3. Time shall be considered as the
contract and the contractor hereby agrees to provide Security
arrangements for SIPCOT Industrial Estate at
for the Industrial Unit M/s.
at by deploying his security personnel as
per clause of the acceptance
Letter No. dated for the period of
ONE YEAR from the FIRST SHIFT (i.e.) At ON
THE till the completion
of the THIRD SHIFT OF (i.e.) till the shift
.
and the contractor shall carry out the work strictly in
accordance with the duties and responsibilities mentioned in
Acceptance Letter No. Dated Copy
of which is enclosed. THIS CONTRACT shall be liable for
termination by giving one month's notice on either side without
assigning any reasons therefor.

4. The term Project Officer in the said condition shall
mean the Project Officer, SIPCOT Industrial Complex,
. who shall be competent to exercise all the powers
on behalf of the SIPCOT with the previous sanction of or
subject to the ratification of the SIPCOT, in case where such
sanction or ratification is necessary.

5. IN WITNESS WHEREOF THIRU
Project Officer, SIPCOT Industrial Complex,
acting for and on behalf of and by the order and direction of
the SIPCOT AND
.
acting for and on behalf of Messers.

. contd.

have signed this deed on the day, month and year first herein
before mentioned.

IN THE PRESENCE OF
WITNESSES

SIGNED BY THE PARTY OF THE
FIRST PART

1.

2.

IN THE PRESENCE OF
WITNESSES

SIGNED BY THE PARTY OF THE
SECOND PART.

1.

2.

PROFORMA FOR PAST PERFORMANCE
STATEMENT OF SUPPLY ORDERS/WORKS CONTRACTS EXECUTED/UNDER EXECUTION BY DURING THE PAST

3 YEARS AS ON

(Name of Tenderer)

The Date of Tenderer

Sl. No.	Name and address of the purchaser/party for whom supply order/works contract executed under execution	In case of supply orders		In case of works contract		Scheduled date of completion of the supplies/work contracts	Actual dates of the Tenderer of completion if any
		Materials/Names of Works executed/under execution	Purchase Order No. & Date	Value of orders	Agreement No. and Date	Value of Contracts	
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							

SIGNATURE OF THE TENDERER.

PROFORMA OF ACCEPTANCE LETTER TO BE SENT TO THE
SUCCESSFUL TENDERER BY THE PROJECT OFFICER)

BY RPAD

SIPCOT

From

The Project Officer
SIPCOT Indl. Complex

(Full postal address)

To

M/s. _____

ORDER NO. _____ DT. _____

Dear Sirs,

Sub : Security Ref.No. _____ Dt. _____
for supply of Security Personnel to
safeguard the assets of M/s. _____
at _____/SIPCOT
Industrial Estate at _____
Detailed orders - Issued.

Ref : 1) This office Ref.No. _____
dated _____
2) Your quotation No. _____
dated _____

.....

1. ACCEPTANCE :

I, acting for and on behalf of and by the order
and direction of SIPCOT accept the rate indicated below for
the supply of Security Personnel for safeguarding the assets
of M/s. _____ at _____/SIPCOT
Industrial Estate at _____ subject to the terms and
conditions set forth hereunder.

SECTION-I

1 (a) SPECIFICATION AND RATE :

Details of Security Personnel to be deployed;

Name of work : Providing Security Personnel to safeguard
the assets of M/s. _____
at _____/SIPCOT Industrial
Estate at _____

..contd..

2..

Sl. No.	Name of the Unit(s)/ Industrial Estate & place	Number of Security Guards	Average rate per head per month	Total per month
---------	--	---------------------------	---------------------------------	-----------------

RS.

RS.

Total

(Rupees

Total No. of Guards _____

1(b) RATE :

The rate should be kept FIRM during the period of contract and no increase in the rate will be admissible.

2. SECURITY DEPOSIT :

2% of contract value less than FMD of RS.
for the above said work shall be paid by demand
draft obtained from scheduled/Nationalised Bank drawn in favour
of the Project Officer, SIPCOT Industrial Complex, _____
within seven days from the date of receipt of the order.

This Security deposit will be repaid to the Contractor only if the contract is completed to the satisfaction of the Corporation. If the Corporation incurs any loss or damage on account of breach of any of the clauses mentioned or any other amount arising out of the contract becomes payable by the Contractor to the Corporation then the Corporation will be in addition to such other rights that items have under the law, appropriate the whole or part of the Security Deposit and such amount that is appropriated will not be refunded to the Contractor.

The above Security Deposit shall be furnished within 7 days from the date of receipt of order. The agreement for the work will be entered into only after the above Security deposit is paid.

3. CONTRACT PERIOD :

The period of contract for providing security personnel to SIPCOT will be from _____ to _____ or _____

contd..

from the date of taking over the site to _____
which shall be liable for termination on one month's notice on
either side without assigning any reason therefor.

4. AGREEMENT :

The contractor has to enter into an agreement with
the Project Officer, SIPCOT Project Office, _____
for the work in non-judicial stamp paper for a value of
Rs. 32.50. The cost of stamp paper has to be borne by the
contractor.

5. LICENCE :

The contractor shall be a "Registered Contractor"
eligible for carrying out Security work possessing a valid
licence under Section 12 of the Contract Labour (Regulation and
Abolition) Act, 1970 (C.A 37 of 1970) read with Rule 21 of the
Tamilnadu Contract Labour Abolition Rules 1975 for having
undertaken security work from SIPCOT valid for the current period.

"The successful contractors shall obtain and produce
the Licence under the above said section within 30 days after the
issue of Principal Employer's Certificate by the Project Officer,
to enable him to obtain the Licence from the Inspector of Labour".
A Xerox copy of the above said licence shall be furnished to the
Project Officer by the Contractor.

The Security agency should also give an undertaking
as below :

"The Contractor hereby agrees and undertakes that he
shall abide and conform to the various provisions in so far as
they relate to him, specified in the Contract Labour (Regulation
and Abolition) Act, 1970.

6. TERMS OF DEPLOYMENT OF SECURITY PERSONNEL :

i) Security Guards for 3 (three) shifts per day should be
deployed round the clock for the Security of _____.

ii) The weekly off / leave to the Guards should be arranged
of Contractor's and no rates/wages will be allowed
for the reserves engaged in security work in the absence of
regular staff.

iii) Deployment of the same Security Guard for the subsequent
(i.e.) 2nd shift will not be permitted in general and Section
51 and Section 85.3(1) of the Factories Act shall be strictly
adhered to.

iv) The bill will be admitted only for the persons present for
duty.

v) The duty timings, attendance register, activities of Security personnel, weekly/monthly reports should be sent to the Project Officer, SIPCOT Project Office _____.

vi) The contractor shall ensure that the Security Personnel deputed by them attend their duties in proper uniform with a proper identity badge with pass port size photograph duly affixed. The Security Personnel shall conform to the conditions stipulated in Clause - 7 below :

vii) The Security Personnel attending their respective shifts should sign in the attendance register maintained for this purpose.

viii) The contractor shall undertake for replacement of Security Personnel deployed in the Security work entrusted on request for various reasons, promptly without any additional cost to the Corporation.

ix) No female guard should be employed.

7. DUTIES AND RESPONSIBILITIES:

i) The Security Guards will safeguard Corporation's properties, prevent thefts and unauthorised movement of vehicles and persons within the area of the Unit/Industrial Complex. They will see that there shall be no naked flame within the premises guarded by them.

ii) The contractor shall take all possible preventive steps against thefts, pilferages etc., and also make necessary measures to safeguard the properties of SIPCOT. In case of theft, pilferage etc., they should report to the Project Officer, SIPCOT Project Office, _____ and keep necessary liaison with the police officials.

iii) If it is established by investigation that the loss of corporation property is due to involvement of Security Guards, then the Security agencies will have to make good the loss."

iv) If any personal damage or loss is incurred by the

Security Staff while discharging their duties, the Corporation is not bound to make any compensation to the Security Bureau or the Security Staff.

8. SECURITY PERSONNEL

The name of the persons with addresses to be employed shall be furnished to the Project Officer, before employment.

The Security Agency should provide for Security work only men, who conform to standards of good physique and free from communicable or congenital disease or major deformities and age ranging from 18 to 50 years with a minimum educational qualification of a pass in VIII Standard. Preferences may be given to Ex-Army and retired Police Personnel. The preference is only in the nature of exemption in age upto 5 years beyond 50. Preference may also be given to those who know cycling. Those personnel who are deputed should not have come to adverse notice in criminal cases.

9. TERMS OF PAYMENT

i) Payment will be released on every month by the Project Officer, SIFCOT Project Office, _____.

ii) Payment will not be made for the overtime duties performed by the Security guards. This will be adhered to strictly. In this regard Clause 9(i)(2) of the Shops and Establishment Act, 1947 will be strictly adhered to.

iii) The monthly bills of the Security Bureau shall be certified and countersigned about its correctness by an Officer of the Corporation, nominated for the purpose by the Project Officer, or the Project Officer himself for payment.

iv) The Security Bureau shall make payment of salary to the Security Staff every month and comply with the provisions of the Contract Labour (Regulation and Abolition) Act, 1970.

10. The Security personnel shall abide by all the Rules and Regulations of the Corporation.

11. To accommodation or transport will be provided by the Corporation for the Security Personnel.

12. The contractor shall ensure that the personnel deputed are not members of any political party or trade union or ex-convict or dismissed employees of SIPCOT or Government and do not take part in any trade union activities against the interest of the SIPCOT.

13. The Security contractor shall provide at his own cost equipments required in connection with the security services like torch lights, rain coats, etc.,

14. COMPLIANCE WITH FACTORIES ACT 1948 and RULES

The provisions of the Factories Act, 1948, the rules thereunder should be strictly followed. The attention of the contractor is invited particularly to the following points:

- a) The provisions of the Factories Act with regard to maintenance of registers and payment of wages to employees must be strictly followed.
- b) Accidents to workman must be reported to the officer incharge immediately, in addition the giving first aid and sending the injured to Hospital promptly by the contractor. The Contractor shall also pay any compensation payable under the workman's compensation act, as a result of injury or death caused to any of his workers employed in respect of this contract. In case the contractor fails to pay the compensation within a reasonable time, the Corporation will arrange to recover the same from the bills and pay to the concerned. The contractor should cover all his employees for accident risk insurance.
- c) Any returns called for must be submitted without delay.

15. OTHER GOVERNMENT RULES

The Security contractor shall abide by any other rules and regulations that may be applicable to him or his personnel by the State or Central Government from time to time.

16. PAYMENT OF WAGES TO THE PERSONNEL:

The wages of the Security Guards should not be less than that of the minimum wages prescribed by the minimum wage act for contract labour.

17. No contiguous clauses, which may put the Corporation to uncertain commitments will be entertained.
18. No compensation or extra amount over and above the amount noted in this reference would be payable by SIPCOT on account of accident to the Contractor personnel due to any cause whatsoever.
19. INSTITUTION OF SUITS :

No suit or any proceedings in regard to any matter arising in any respect under this contract shall be instituted in any court other than in the City Civil Court of Madras or other Court of Small Causes, at Madras. It is agreed that no other court shall have jurisdiction to any suit or proceedings even though part of the cause of action might arise within their jurisdiction. In case any part of the action arises within the jurisdiction of any of the Courts in Tamilnadu and not in the Courts in Madras city, then it is agreed to between the parties that such suits or proceedings shall be instituted in Courts within Tamilnadu and no other Court outside Tamilnadu shall have jurisdiction eventhough any part of the cause might arise within the jurisdiction of such courts.

Yours faithfully;

PROJECT OFFICER.

Encl.: Agreement Form.

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED

P R O F O R M A

1. Date on which the Security Agency started functioning and the names of present top executives of the agency.
2. Headquarters of the security agency and the details of its branches if any in the State.
3. Past experience.
4. The names of the subordinate officers employed on regular basis at Headquarters and their past experience.
5. Total number of persons employed as security guards and security supervisors with split up figures such as number of Ex-servicemen and Ex-Policemen etc.
6. Whether the guards are permanent employees and they are of good antecedents of records.
7. Financial status i.e. whether Income Tax assessee or not. If he is an Income Tax assessee, Income Tax certificate to be enclosed.
8. Whether the Licence from the competent authority as envisaged under sub-section I of Section 12 of the Contract Labour (Regulations and Abolition) Act 1970 obtained. If so copy to be enclosed.
9. Whether they will be able to abide by the provisions laid down in contract labour (Regulation and Abolition) Act, 1970 especially Sections 20 and 21 of the Said Act.
10. Whether the employer's contributions towards the payment to the Tamil Nadu Labour Welfare Board is being remitted. If so the receipt No. and date of payment should be quoted.
11. Carry Home Salary of the guards to be specified. Payment should be made in the presence of Board Officers.
12. Whether E.S.I./E.P.F./Group Insurance Schemes are available. If so code No. should be quoted.
13. Whether uniforms provided and whether kit and washing allowances, whistle torch lights, lathies, badges are provided.
14. Age of the guards, their physical standards and their minimum education qualifications.

ANNEXURE - V

DETAILS ON ENGAGEMENT OF SECURITY PERSONNEL TO SAFE-GUARD
UNITS TAKEN POSSESSION/SIPCOT PROPERTIES

Sl. No.	Name of the Security Agency	Purpose of Engagement	Date of Initial engagement	Date of Expiry of Agreement/ engagement	Need for security services after expiry of present term (to specify for contracts to expire within next 2 months)	If answer to Col.(6) is positive, whether separate proposals sent thro'EE.	Date of expiry of contractor's licence.
1	2	3	4	5	6	7	8

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LIMITED.
19-A RUKMANI LAKSHMIPATHY ROAD, EGMORE, MADRAS:600008

CIRCULAR NO.68/91

DATED: 26.12.1991

CIRCULAR

Sub: Term Loans - Loans foreclosed- Procedures
to be followed under Section 29 of the SFC
Act after foreclosure.

.....

In Circular No.92/91, dated 27.11.1991 instructions have been issued on the procedure governing foreclosure of term loans. The following instructions are issued in regard to the procedure to be followed once the loan is foreclosed and it is decided to proceed under Section 29 of the State Financial Corporations Act, 1951 (SFC Act):

(i) A letter to the Tahsildar (Recovery - SIPCOT) of the concerned Region will issue in the form in Annexure-I enclosing the details of the mortgaged assets which can be obtained from the Legal Department.

(ii) On receipt of the letter, the Tahsildar will fix a date and time, not exceeding ten days from the date of receipt of the letter, for the take over and inform the Company and also the Project Officer in whose jurisdiction the unit is located as described in Annexure-II. The form of notice is given in Annexure-III.

(iii) The Tahsildar will also address the Sub-Inspector of the Police of the nearest Police Station in the form in Annexure-IV, seeking police assistance at the time of take over.

(iv) General Manager (F&R) will depute a suitable Officer from the Head Office to be present at the time of the take over.

(v) On the appointed day, the Tahsildar in the presence of the Project Officer and the Officer from the Head Office mentioned in (iv) above, will take possession of all the assets of the unit and make a detailed inventory of the same.

(vi) The Tahsildar will secure the signature of the Village Officer who should also be called upon to be present. In the absence of the Village Officer for any reason, the signatures of at least two independent witnesses should be obtained on the inventory so prepared.

..2..

(vii) A signed copy of the inventory should be handed over to the authorised representative of the Company and acknowledgement obtained.

(viii) The Tahsildar should, the same day, send a detailed report to the General Manager (F&R) on the action taken, enclosing a true copy of the inventory, retaining the original with him.

(ix) General Manager (F&R) should ensure that suitable security guards are posted to safe-guard the assets taken over and see that the assets are insured against fire, theft and pilferage.

(x) General Manager (F&R) will scrutinise the inventory and verify whether all the mortgaged assets are available and have been taken over. If any item is missing, immediate action should be taken to file a criminal complaint against the Company for unauthorised removal of the mortgaged assets.

(xi) The Tahsildar should also take steps wherever necessary to file a caveat petition in the Sub-Court/District Court under Section 148 of the Civil Procedure Code against the contingency of the Company approaching the Court for an order of interim injunction against the action against SFC Act and getting ex parte orders.

B. VIJAYARAGHAVAN
CHAIRMAN & MANAGING DIRECTOR.

To
All Officers in Term Loan &
Follow Up
All Tahsildars (Recovery-SIPCOT)
All Project Officers.

Copy to: GM(P&D)
Superintending Engineer/Executive Engineers.

CMD's Table.
PS to CMD

/ FORWARDED BY ORDER/

Hanumanth
DEPUTY GENERAL MANAGER (ADMN & LEGAL)

ANNEXURE - I

Lr.No.

Dated :

To.

The Tahsildar (Recovery) SIPCOT)

Sir,

Sub : - M/s.....
Default in repayment of dues to
SIPCOT -Action under Sec.29 of the State
Financial Corporations Act 1951

Ref : Foreclosure order No.....
dt.

Your attention is invited to the Foreclosure order issued to the Company with copy marked to you. As the company has not repaid the entire dues, it has been decided to take possession of the mortgaged assets as given in the enclosure under Section 29 of the State Financial Corporations Act 1951.

2. Pleasetake immediate action as detailed in this office Circular No. 68/91 dt. 26.12.1991

Yours faithfully,

GENERAL MANAGER (F&R) i/c

Encl:

Details of assets mortgaged enclosed.

Copy to

The Project Officer

Copy to : Legal Department.

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ANNEXURE II

JURISDICTION OF PROJECT OFFICERS FOR PURPOSES OF ASSISTING
TAHSILDAR IN TAKING ACTION UNDER SFC ACT.

1. MADRAS REGION

<u>Revenue Districts</u>		<u>Tahsildar</u>	<u>Project Officer</u>
Madras	I		
Chengai-MGR	I	Madras	Gummidipoondi
North Arcot Ambedkar	I		
Thiruvannamalai	I	"	Ranipet
Sambuvarayar	I		
South Arcot		"	Cuddalore

II. MADURAI REGION

Dindigul - Anna	I		
Madurai	I		
Pasumpon Thever	I		
Thirumaganar	I	Madurai	Manamadurai
Ramanathapuram	I		
Kamarajar	I		
Trichy	I		
Thanjavur	I	"	Pudukottai
Pudukottai	I		
Nagapattinam	I		
Kanyakumari	I		
Nellai-Kattabomman	I	"	Tuticorin
Chidambaranar	I		

III. SALEM REGION

Coimbatore	I		
Salem	I		
Dharmapuri	I	Salem	Hosur
Periyar	I		
Nilgiris	I		

Lr.No.

Dated :

From

Thiru

Special Tahsildar (Recovery - SIPCOT)

To

The Managing Director
M/s.

Sir,

Sub. : M/s.
Default in repayment - Action
Under Sec 29 of the SFC Act - Notice
issued taking possession of the unit-
intimated - Reg.

Reg : Our Foreclosure Order No.
Dated

Inspite of the above Foreclosure order, you have not repaid the dues to SIPCOT. In order to realise our dues it has been decided to proceed under Section 29 of the State Financial Corporation Act, 1951 to take possession of the mortgaged assets of the Company as in the enclosed list, on..... at.....

You may, if you so desire, be present either by yourself or through your authorised representative at the site at the time of taking over of the assets.

Yours faithfully,

TAHSILDAR(RECOVERY SIPCOT)

Copy to :
Guarantors.

Copy to :
1. G.M (F&R)
2. P.O.

133

ANNEXURE IV

Lr.No.

Date:

From

.....(Name).....
Tahsildar (Recovery SIPCOT)
Madras/Madurai/Salem.

To

The Sub-Inspector of Police,
Law & Order,
.....Police Station.

Dear Sir,

Sub : M/s.....
Take over of the mortgaged assets under
the powers conferred under Section 29 of
the State Financial Corporations Act,
1951 - Protection requested - Reg.

The captioned Company has committed default in
payment of dues to SIPCOT. In exercise of the powers vested
in SIPCOT under Section 29 of State Financial Corporations
Act, 1951, it has been decided to take over the assets of
the unit mortgaged to SIPCOT. The assets which are in the
possession of the above Company at(Place).....
..... are proposed to be
taken over at(time).....on.....

We request you to provide the necessary police
assistance to ensure that there is no breach of peace on
the occasion.

Yours faithfully,

TAHSILDAR (RECOVERY - SIPCOT)

134

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED

19-A RUKMANI LAKSHMIPATHY ROAD EGMORE MADRAS: 8.

Circular n. 43 / 93
~~E1/Misc/59/91~~

Dated 22.12.1993

CIRCULAR

Sub: SIPCOT - Providing Security Services to the assets of the units taken possession by SIPCOT under SFC/TNPPE Act and to SIPCOT Properties at Industrial Complexes.

Ref: Circular No.E1/Misc/59/91 dtd 14.9.92

In this Office Circular cited, instructions were issued for adopting the new system in the matter of providing Security Services through approved panel and also the procedures / guidelines to be followed in this regard. At present wherever the ^{mortgaged assets units} assisted units are taken possession of by SIPCOT, the Project Officers are engaging the services of Security Bureau as a temporary measure for a period not exceeding 89 days in all, in respect of units coming under their jurisdiction. The Project Officers are informed that they should strictly follow the instructions/guidelines issued in the above circular and the services of the same security Bureau should not be continued beyond 89 days under any circumstances. However this procedure should be resorted to only as a temporary measure until such time regular Security Bureau is arranged. The Officer concerned will be personally held responsible if the services of any Security Bureau is continued beyond 89 days. Further, action should be taken immediately to fix up a regular Security Bureau as per the circular cited.

The receipt of this Circular should be acknowledged.

[Signature]
MANAGING DIRECTOR

To

All Project Officers

copy to:

RM, Gummidipoondi/Tuticorin, Ranipet
GM (P&D)
ALL HODs

[Signature] *[Signature]*
G.M (A&A) / G.M (Adm)

[Signature]
21.12.93

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LIMITED

MADRAS-600 008

Circular No. 13 /94

Dated: 23.2.1994

CIRCULAR

Sub:-Extension of certain provisions of the
State Financial Corporations Act, 1951
to SIPCOT - Reg.

.

The followings sections of State Financial Corporations
Act, 1951 have been extended to SIPCOT by the Government of
India.

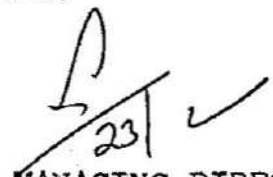
(a) Sec.27, 29, 30, 31, 32A, 32B & 32C and 32G - Notification
dt.13.5.1988

(b) Sec. 32F - Notification dt.18.11.1991

(c) Sec.32D, Sec.32 E & 41A and 46 B - Notification dt.5.10.1989

Copy of the notifications,

2. *1st* gist of the provisions and an extract of the
sections are enclosed for information.


MANAGING DIRECTOR.

To
All Officers

Copy to:

P.S. to M.D.

(A) Extract of the sections will be enclosed along with the
Circular. Hence
no separate
G.M (F&C)

File
22/2/94

ANNEXURE

SECTION:27: gives power to the Financial Corporation to impose conditions while sanctioning the loan. Sec.27 (2) gives power to appoint Nominee Director/s and Sec.27 (3) states that (a) the ~~Nominee~~^{director} appointed shall hold office during the pleasure of the Financial Corporation and may be removed or substituted.

(b) the ~~Nominee~~^A Director will not incur any obligation or liability by reason ~~only~~ of his being a director or anything done or omitted to be done in good faith in the discharge of his duties (c) the ~~Nominee~~^{Director} is not liable^{to} by rotation and shall not be taken into account for computing the number of Directors liable to such retirement.

SECTION: 29: gives power to the Financial Corporations to take over the mortgaged assets/Management or both of the Industrial concern and ~~has~~^{it} the right to transfer by way of lease or sale and realise the property pledged, mortgaged/
hypothecated.

SECTION: 30: gives the power to recall the loan before the agreed period.

SECTION: 31: gives the power to file the SFC Petition for (a) an order for the sale of the property mortgaged/pledged or (aa) for enforcing the liability of any surety or for transferring^(b) the management of the Industrial concern to the Financial Corporations or for an injunction restraining the industrial concern^(c) from transferring or removing the Machinery, Plant and Equipment without the permission of the Board.

SECTION: 32: gives the procedure to be followed by the District Judge in respect of an application under Sec.31.

SECTION 32 A to F:, gives the procedure to be followed by
the Financial Corporation when the management ^{of the Industrial Concern} is taken over.

SECTION: 32G: gives power for recovery of the assets due to
the Financial Corporation as an arrear of land revenue.

SECTION: 41 A: gives the protection to the ~~Nominee~~ Director
appointed on the Board of the assisted units for anything
done in good faith or intended to be done by the ~~nominee~~ ^{director}.

SECTION 41 B: gives the Effect of the ^{SP} Act on other laws.

MC
23/12/59

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED
19-A, Rukmani Lakshmipathy Road, Egmore, Madras-8

Cir. No. 57/94

Dated: 14.8.94

CIRCULAR

Sub : Providing security services to the
assets of the units taken possession
by SIPCOT under SEC/TNPPE Act/
SIPCOT properties at Indl. Complexes-reg.

Flag (Z)

Ref : Circular No.E1/Misc./59/92,
dtd. 13.3.'93

In continuation of the orders issued in the
Circular cited, the Project Officers are strictly instructed
that the tender call letters should be sent to the
empanelled Security Agencies only by 'Certificate of Posting'
and in no case it should be sent by ordinary post. Further,
sufficient time should be given to the Agencies for
submission of tender.

For any lapse ^{on their part} ~~in the matter~~ the Project Officers
will be personally held responsible and will be dealt
with severely.

The Project Officers are requested to acknowledge
receipt of this circular immediately.

14/8
MANAGING DIRECTOR

To
All Project Officers

Copy to :

All General Managers
All Regional Managers
Accounts Department
Internal Audit Dept.

27/8

DRAFT

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED
19-A, RUKMANT LAKSHMIPATHY ROAD, EGMORE, CHENNAI-8.

...

Cir.No. 43/98

Dated: 28.10.1998.

CIRCULAR


Sub: SIPCOT Indl.Complexes-Closed Units -
possession by Financial Institutions/Banks
- Followup action and early settlement of
dues - Instructions - Issued - Reg.

...

It is observed that the Project Officers in
SIPCOT Indl.Complexes are not taking proper follow-up
action in ^{expediting} ~~getting~~ the settlement of dues of closed units
which are in possession with Financial Institutions/Banks.
Hence ⁱⁿ ~~the~~ sale of the Units/ the Financial Institutions/
Banks concentrate only on the settlement of their term loan
dues with scant regard to the settlement of ^{Debtors' Dues.} SIPCOT dues.
In some cases, these sales were ~~came to known~~ ^{entering long} after
prolonged correspondences with FIs/Banks with ~~much~~ delay.

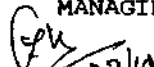
As Project Officers are looking after the day to day
operations of the Complexes, they would come to know about
these sales much earlier. Hence the POs are instructed to
closely watch the closed units which are in possession ^{of} ~~with~~
FIs/Banks, take necessary followup action and see that
our dues are settled immediately after the completion of
the sale of assets by FIs/Banks.

The receipt of the Circular may be acknowledged.


(Q. c.s.s.)
evm

(QUDSIYA GANDHI)
MANAGING DIRECTOR

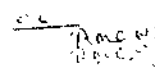

DGM(D)


GM(P&D)

To

All Pos


AM(S)


RMC (M)
P.P.C. (M)
all officials in P&D
A.T.M.D.

CIRCULAR. 43

PF/SUR/SALE OF ASSETS/2000

20.12.2000

CIRCULAR

Sub : Follow-up in respect of units taken possession under SFC Act –
Instructions issued.

◆◆◆

During the Review Meeting held on 18.12.2000, it was observed by the Managing Director that the mortgaged assets of the units taken possession by SIPCOT under SFC Act should be brought for sale within two months from the date of taking possession after completing the valuation. It was also observed that the personal guarantee should also be invoked in these cases simultaneously.

Hence the Operation/Sick Unit Rehabilitation Departments may take expedite action in the case of units taken possession to bring them for sale within the above time limit of two months and may also take simultaneous action for invoking the personal guarantee.


GENERAL MANAGER (PF&SUR)

To

D.G.M. (OP-I)

D.G.M. (OP-II)


D.G.M. (SUR)

Copy to :

P.S. to M.D.

✓ Personnel Department

for Circulation.


21/12/00


21/12/2000


21/12/2000


22/12

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED
19-A, Rukmani Lakshimipathy Road, Egmore, Chennai-600 008.

CIRCULAR

No.41/2001

Issued Date: 29.01.2001

Re-issued

Date: 11.02.2021

Sub: Term Loan sanctioned to assisted units –
Foreclosure of loan and taking possession
of the assets of the unit under Sec.29 of the
SFC Act – Instructions issued.

The following instructions are issued in regard to the time limit to be followed for taking possession of the assets of the units in respect of which the term loan sanctioned to the units are foreclosed under Sec.29 of the SFC Act:

- a. Closed Units : Within 3 months from the date of issue of F&R order.
- b. Running units : Within 6 months from the date of issue of F&R order.

The above instructions should be followed scrupulously by all the dealing Officers of the Operations Department. The time limit should not be extended without, specific prior orders of CMD.

These orders come into force with effect from 01.02.2001.

(This circular is re-issued).

Sd/- xxx

CHAIRMAN AND MANAGING DIRECTOR

To
All the Officers in OP Department

Copy to:
All General Managers
Tahsildar
CMD's Table
P.S. to CMD

//FORWARDED BY ORDER//

MANAGING DIRECTOR

15/22

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LTD.
19-A, RUKMANI LAKSHMIPATHY ROAD, EGMORE, CHENNAI-600 008.

No. 24/2002

Dt. 15.4.2002.

CIRCULAR

Sub: Possession taken units – Sale of assets – Procedure – Reg.
Ref: 2002(1) SCALE-Haryana Financial Corporation & Anr
vs M/s.Jagdamba Oil Mills & ANR.

SIPCOT used to take possession of the mortgaged / hypothecated / pledged / assigned assets under Sec. 29 of SFC Act for recovery of dues, as and when the assisted companies defaulted repayment of dues. Such possession taken units / assets are advertised for sale and the highest offer received is placed before the Board of SIPCOT for disposal of the assets for recovery of dues. After the approval of sale proposal by the Board, hither to SIPCOT used to inform the original promoters about the sale proposal so as to give them an opportunity to retain the assets, as per the guidelines laid down by Supreme Court in Mahesh Chandra Vs.Regional Manager, U.P. Financial Corporation and Others (1993) 2 SCG 279.

In a recent Supreme Court's Judgement cited under reference, the following have been indicated

'The aforesaid guidelines issued in Mahesh Chandra's case place unnecessary restrictions on the exercise of power by the Financial Corporation contained in Sec.29 of the Act by requiring the defaulting unit holder to be associated or consulted at every stage in the sale of the property. A person who has defaulted is hardly ever likely to co-operate in the sale of his assets. The procedure indicated in Mahesh Chandra's case will only lead to further delay in realization of the dues by the Corporation by sale of assets. It is always expected that the Corporation will try and realize the maximum sale price by selling the assets by following a procedure which is transparent and acceptable, after due publicity, wherever possible.

In our opinion, the issuance of the said guidelines in Mahesh Chandra's case are contrary to the letter and the intent of Sec.29. In our view, the said observations in Mahesh Chandra's case do not lay down the correct law and the said decision is overruled.'

In view of the above Judgement, the practise of informing the Original Promoters / Guarantors ^{giving opportunity to submit the bid under Case} about the finalisation of sale proposal is dispensed with. Immediately after the approval of the sale proposal by the Board of SIPCOT, the auction purchaser has to be informed ^{directly confirmed to} about the sale and the ~~procedure of recovery has to be speeded up.~~ ^{following the take} ~~expeditious steps for realization of Sale proceeds.~~

CHAIRMAN AND MANAGING DIRECTOR


D.M


DGM(SUR)


AGM(L)


G.M(PF&SUR)

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LTD.
19-A, RUKMANI LAKSHMI PATHY ROAD, EGMORE, CHENNAI - 600 008.

Circular No. 34 / 2002

Dt. 24.05.2002

CIRCULAR

**Sub : Term Loan sanction - Foreclosure of loan in respect
of defaulting units - Instructions issued**

The following instructions are issued with regard to foreclosure of term loan in respect of defaulting units.

1. If the assisted unit's default is for two quarters, notice against foreclosure of loan should be issued prescribing time limit of 15 days to set right the default.
2. If the concerned units do not rectify the default by clearing the dues within the above period of 15 days, orders for foreclosure of loan should be issued on the 16th day.

The General Manager (PF&SUR) is delegated with powers to issue notices ~~and foreclosure orders~~ as above.

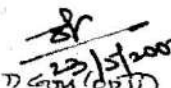
The above instructions should be followed scrupulously by all the dealing Officers of the Operations Department. The time limit should not be extended without specific orders of the CMD.

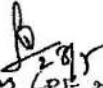
These orders come into force with immediate effect.

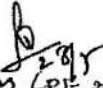

24/5
CHAIRMAN AND MANAGING DIRECTOR.

To

All the Officers of OP Department.

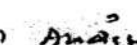

23/5/2002
DGM (OPD)


23/5/2002
G.M. (P.F. & SUR)


23/5/2002
G.M. (P.F. & SUR)

Copy to

All General Managers
Special Tahsildar (Rec)
CMD's Table
P.S. to CMD.


23/5/2002

DRAFT FOR APPROVAL

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LTD.
19-A, RUKMANI LAKSHMIPATHY ROAD, EGMORE, CHENNAI - 600 008

Circular No. 2 /2003

Date : 9.1.2003

CIRCULAR

Sub : Possession Taken Units - Auction sale plant and machinery -
Restriction of security - Instructions issued - Reg.

The following instructions are issued on restriction of number of security guards in respect of Possession Taken Units where the plant and machinery have been auction sold :

Once the plant and machinery has been handed over, security becomes the responsibility of the auction purchaser. Otherwise, the security expenses have to be collected from the auction purchaser of the plant & machinery till removal of the same.

The security guards have to be restricted to one number in all Possession Taken Units where the plant and machinery have been sold and are located outside the SIPCOT Industrial Complex/Park. The security guard engaged has to work in general shift and look after the land and building of the above such units. In the case of Possession Taken Units within the SIPCOT Indl. Complex / Park, the assets have to be safeguarded by the security guards engaged for the Complex as a whole and the number of such security guards engaged has to be reviewed periodically and restricted in consultation with the Head Office by the Project Office concerned.

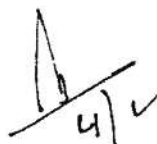

CHAIRMAN & MANAGING DIRECTOR

To
A.G.M. (Civil)
All the Project Officers
The Officers of F&R-I & F&R-II Departments

Copy to :
All General Managers
Internal Audit Dept.
CMD's Table
P.S. to CMD


D.G.M. (F&R-II)

The Nodal Officer should act as per the instructions received from Govt in this regard and should furnish all the required informations to Govt after getting due approval from the Chairman and Managing Director



CHAIRMAN AND MANAGING DIRECTOR

2/2

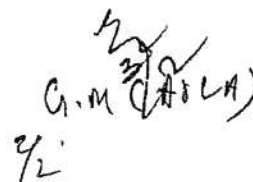
To

Thiru SP Meyyappan,
Deputy Manager.

Copy to

General Manager (Finance),
General Manager (A&L),
Manager (CS)
PS to CMD







STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED
19-A, Rukmani Lakshmipathy Salai, Egmore, Chennai – 600 008.

No. 03/2013

Date : 13.2.2013

CIRCULAR

Sub: SIPCOT – Providing security services to the assets of the possession taken units – Periodical inspection - Reg.

- Ref: 1. CMD's O.O. No. 10/2003 dt. 24.7.2003
2. H.O Circular No.20/2004 dated 20.07.2004.
3. H.O. letter of even no. dt. 28.5.2012
4. Our PS/CMD's D.O. Letter No.F&R/MISC/2012, dtd. 22.8.2012
-

In the reference 1st and 3rd cited, instructions were issued to all the Senior Project Managers / Project Managers / Project Officers / Project Officers i/c (SPMs / PMs / POs / POs i/c) to take up periodical inspection of possession taken units in order to have proper control over the said units and to ensure / verify the availability of all the machineries in the possession taken units and to submit their reports periodically. In the H.O. Circular second referred to above, it has been instructed that if any theft is noticed in the possession taken units, then the P.O. should take up the matter with the concerned Security Agency for filing police complaint immediately. In the reference 4th cited, the above instructions were reiterated and they have further informed that any lapse in sending reports within the specified time by the SPMs / PMs / POs / POs i/c will be viewed seriously. Despite the above instructions, SIPCOT is not receiving periodical reports and instances have been brought to the notice of PS/CMD that the assets of the possession taken units are missing and SPMs / PMs / POs / POs i/c are not taking prompt action to lodge complaint with Police thro' Security Agency in time about the missing assets.

Hence, all SPMs / PMs / POs / POs i/c are again strictly instructed to send periodical reports and to take utmost care to safeguard the assets in the possession taken units under their control and they have to inspect the possession taken units periodically to see whether the assets are intact with the security personnel present at site and the POs should take up the matter with security agencies to lodge complaint with Police promptly if there is any theft / missing items in the possession taken units under their control.

..2

.2.

The above instructions should be followed strictly and scrupulously. It is hereby warned that any lapse on the part of the SPMs / PMs / POs / POs i/c in this regard will be viewed seriously.

Receipt of the Circular should be acknowledged by return of post.

Sd/-
PRINCIPAL SECRETARY /
CHAIRMAN & MANAGING DIRECTOR

To

Senior Project Managers / Project Managers/
Project Officers / Project Officers i/c

Copy to:

Executive Director i/c
General Manager
All HODs
Internal Audit Dept.
PS to PS/CMD

//Forwarded by Order//


ASSISTANT GENERAL MANAGER (F&R)

**STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LIMITED
19-A, RUKMANI LAKSHMIPATHY ROAD, EGMORE, CHENNAI-600 008**

CIRCULAR NO. 70/20

Dated:11.9.2020

CIRCULAR

Sub: Term Loans - Loans foreclosed - procedures to be followed U/s.29 of the SFC Act after foreclosure.

.....

SIPCOT extended financial assistance to medium and major industries till the term lending activities were transferred to TIIC during the year 2000 and follow-up and recovery of the existing units are being done by SIPCOT. Due to default of term loan dues by loanee companies, the mortgaged assets were taken possession by SIPCOT U/s.29 of the SFC Act, 1951.

The work of taking possession of the units U/s.29 of SFC Act, tracing out of the whereabouts/ address of the promoters/guarantors/ directors and in case of deceased promoters/ guarantors/directors, the details of legal heirs to implead in the court case, tracing out of personal property details hitherto done by the Spl.Tahsildar (Recovery) are assigned to the Project Officers concerned-SIPCOT in the rank of Assistant Manager/Deputy Manager/Manager.

The following instructions are issued with regard to the procedure to be followed once the loan is foreclosed and to proceed U/s.29 of the State Financial Corporations Act, 1951 (SFC Act):

1. A letter from H.O. to the Project Officer - SIPCOT of the concerned Region will be issued in the Form in Annexure-I enclosing the details of the mortgaged assets which can be obtained from the Legal Department.
2. On receipt of the letter, the Project Officer will fix a date and time not exceeding 10 days from the date of receipt of the letter for the take over and inform the company and also to H.O. as described in Annexure-II.
3. The Project Officer will also address the Sub-Inspector of the Police of the nearest Police Station in the form in Annexure-III, seeking police assistance at the time of take over.

4. On the appointed day, the Project Officer will take possession of all the assets of the unit and make a detailed inventory of the same and on the same day send a detailed report to H.O. on the action taken enclosing a true copy of the inventory list retaining the original with him.
5. The Project Officer will secure the signature of the Village Administrative Officer who should also be called upon to be present. In the absence of VAO for any reason, the signatures of atleast two independent witnesses should be obtained on the inventory so prepared.
6. A signed copy of the inventory list should be handed over to the authorised representative of the company and acknowledgement obtained.
7. General Manager(F) should ensure that suitable security guards are posted to safeguard the assets taken over and see that the assets are insured against fire theft and pilferage.
8. General Manager(F) will scrutinise the inventory and verify whether all the mortgaged assets are available and have been taken over if any item is missing immediate action should be taken to file a criminal complaint against the company for unauthorised removal of the mortgaged assets.
9. The Project Officer should also take steps wherever necessary to file a caveat petition in the Sub-Court, District Court U/s.148(A) of the Civil Procedure code against the contingency of the company approaching the court for an order of interim injunction against the action against SFC Act and getting ex-parte orders.

This circular supersedes of all earlier circulars.

Sd/-
(J.KUMARAGURUBARAN)
MANAGING DIRECTOR

To

All the Project Officers

Copy to:

- 1.GM(F)
- 2.DGM(P-I)/P-II/P-III
- 3.SE
- 4.CT(O)
- 5.All HODs

PA TO MD

PA to ED

/Forwarded by order/


GENERAL MANAGER(F)

Lr.No. _____

dated:

To

The Project Officer,
SIPCOT Industrial Complex/Park/Growth Centres,

Sub: M/s..... Default in repayment of
dues to SIPCOT - action U/s.29 of SFC Act 1951.

Ref: Foreclosure order No..... dated
.....

Your attention is invited to the foreclosure issued to the company with copy marked to you. As the company has not repaid the entire term loan dues, it has been decided to take possession of the mortgaged assets U/s.29 of SFC Act 1951. The details of mortgaged assets are given in the enclosure.

You are instructed to take immediate action as detailed in this office Circular No..... dated.....

GENERAL MANAGER(F)

Encl:

Details of assets mortgaged enclosed.

Copy to:

Legal Department

Lr.No.....

Dated:

From
Thiru.....
Project Officer,
SIPCOT Industrial Complex/Park/Growth Centre

To
The Managing Director,
M/s.....

Sir,

Sub: M/s.....
Default in repayment - Action U/s.29 of SFC Act 1951 -
Notice issued taking possession of the unit - intimation - reg.

Ref: Our Foreclosure order No.....dated
.....

Inspite of the above Foreclosure order, you have not repaid the dues to SIPCOT. In order to realise our dues it has been decided to proceed U/s.29 of the State Financial Corporation Act 1951 to take possession of the mortgaged assets of the company as in the enclosed list, on.....dt.....

If you so desire, be present either by yourself or through your authorised representative at the site at the time of taking over of the mortgaged assets.

Yours faithfully,

PROJECT OFFICER

Copy to:
Guarantors

Copy to:

1. GM(F)
2. Legal Department

ANNEXURE-III

Lr.No.....

Dated:

From
Thiru.....
Project Officer,
SIPCOT Industrial Complex/Park/Growth Centre

To
The Sub-Inspector of Police,
Law & order,
.....Police Station

Dear Sir,

Sub: M/s.....
Take over of the mortgaged assets under the powers conferred
U/s.29 of the SFC Act 1951 - protection requested - reg.
.....

The captioned company has committed default in payment of dues to SIPCOT. In exercise of the powers vested in SIPCOT U/s.29 of State Financial Corporation Act, 1951, it has been decided to take over the assets of the unit mortgaged to SIPCOT. The assets which are in the possession of the above company at..... (place)..... are proposed to be taken over at..... (time) on..... (date)

We request you to provide the necessary police assistance to ensure that there is no breach of peace on the occasion.

Yours faithfully,

PROJECT OFFICER

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED.

19-A, Marshalls Road, Madras-600 008

C.O.No.7/91

Dated: 12.2.1991

OFFICE ORDER

Sub: Providing Security Services to the Units
taken possession under SFC Act. & Further
guidelines - Issued.

Ref: O.O.No.4/91, dated 18.1.91.

.....

In continuation of the orders issued vide Office Order cited the following guidelines are further issued to be followed by the concerned Chief Officers/Project Officers/Special Tahsildars (Recovery) while utilising/ordering/requesting the services of security Bureaus for safeguarding the Sick Units Taken over by SIPCOT:

1. In the agreement to be entered by the concerned Project Officers/Special Tahsildars (Recovery) with the Security Agencies the following Clauses should compulsorily find place among other Clauses:

(i) The period of Agreement will be **initially** for six months from the date of actual engagement with powers to renew it.

(ii) SIPCOT will have the powers to terminate the Security Services in the middle at its instance.

2. The payment is as per agreement for the period of work only.

3. The payment of Service Charges will be paid only to the concerned Security Bureaus monthly after obtaining necessary attendance of the Security Staff duly signed by the Head of the Security Bureau and certified by the concerned Project Officers/Special Tahsildar (R).

4. The general format of Agreement as approved by the Deputy General Manager (Law) is enclosed. Any special Clause is required, it may be got approved in each case.

The Project Officers/Special Tahsildars are requested to acknowledge the receipt of this Office Order also immediately.

Encl: As above


for CHAIRMAN & MANAGING DIRECTOR

To
All Project Officers &
All Special Tahsildars (Recovery)

Copy to: All General Managers &
Heads of Departments.

FORM OF AGREEMENT TO BE EXECUTED WITH SECURITY SERVICE BUREAU
FOR ENGAGEMENT OF SECURITY GUARDS TO SAFEGUARD THE PROPERTIES OF
SICK UNITS UNDER SECTION 29 OF SFC ACT.

AGREEMENT

THIS AGREEMENT made at (Place) on this (Date) day of (Month) & (year) between (name of the Security Agency) having its office at (address in full) hereinafter referred to as "PARTY OF THE FIRST PART" and M/s. STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED having its office at (address of the Industrial Complex/Recovery Unit in full) hereinafter referred to as "PARTY OF THE SECOND PART", whereas the PARTY OF THE FIRST PART IS doing the business of providing security staff through its own personnel and whereas on the assurance given by the PARTY OF THE FIRST PART that they will be able to provide security staff as required by the PARTY OF THE SECOND PART. This agreement is being enacted:

NOW THIS AGREEMENT WITNESSETH AS UNDER:

1. That the PARTY OF THE FIRST PART shall provide Security Staff for guarding the premises, and the assets of M/s. (Name of Unit taken over & Address) belonging to the "PARTY OF THE SECOND PART".
2. That the PARTY OF THE FIRST PART undertakes to engage, employ and provide the requisite number of trained personnel and also be responsible for the payment of their emoluments and other government statutory requirements.
3. That the responsibility of providing requisite numbers of staff shall be that of the PARTY OF THE FIRST PART and PARTY OF THE SECOND PART will not be liable to pay anything for the Security Charges except as agreed, unless if extra guards/services are required by the PARTY OF THE SECOND PART.
4. That the PARTY OF THE FIRST PART shall provide Security Staff throughout the 24 hours by changing the personnel in rotation/replacement subject to the provision that each person does 8 hours duty daily with an exception to their weekly offs.
5. That the PARTY OF THE SECOND PART shall at no time directly or indirectly employ the services of or deal with any person employed by directly or indirectly by the PARTY OF THE FIRST PART for a period of three years from the date of termination of this contract.
6. That the tenure of this Service Agreement shall be initially for a period of six months with effect from (the date of actual engagement) with full powers to the PARTY OF THE SECOND PART to terminate it in the middle at its/ This Agreement is (instance) renewable at the instance of the party of the Second part namely SIPCOT and will lapse if there is no renewal of the Agreement at the end of Six months.

...2

7. The party of the first part shall provide the following security staff for the premises of the PARTY OF THE SECOND PART at the undermentioned rates:

<u>Name of the unit</u>	<u>Designation of the Security Staff</u>	<u>No. of personnel required</u>	<u>Rate per month</u>
-----------------------------	--	--	---------------------------

SPECIAL CONDITIONS:

1. The above rates are inclusive of all administration expenses and the employer's contribution towards Government statutory dues.
2. THE FIRST PARTY should invariably provide the Services of exclusively Ex-army personnel (not ex-home guard/ex-police or ex-para military forces but only ex-military) in the posting of Security Guards.
3. Same guards will not be engaged on consecutive shifts under any circumstances.
4. No accommodation for the personnel in the contingent shall be provided by the second party.
5. Drinking Alcohol (or) restoring to any evil practices during duty hours by the Contractual persons would be treated as a violation of the contract and such people would be immediately removed from duty.
6. The materials, fittings and other contents of Sick units will be listed out and shown to THE FIRST PARTY for safe custody and if any loss (or) pilferage happens due to the negligence of Security Guards, it has to be borne by THE FIRST PARTY and such cost of loss/pilferaged materials shall be deducted from the bill of the FIRST PARTY.

7. That THE FIRST PARTY will have to maintain a register of attendance and co-operate with officers and staff of the Second Party for ensuring safe custody of the materials.

8. That THE FIRST PARTY will have to abide by the rules of 'SIPCOT' and senior officer of THE FIRST PARTY should visit frequently to check the security guards to ensure the duties assigned to them done properly.

9. The above work is initially awarded for six months and further continuance of the contract thereafter would be considered on the basis of performance.

10. That THE FIRST PARTY shall submit the monthly bills completed in all respects with all attendnace rolls duly signed by the authorised officials of the SECOND PARTY, to the Second Party for settling the bills.

11. That the officials of THE SECOND PART duly authorised have the right to visit these units at any time for verification of the assets as well as to check the personnel on duty.

12. That THE SECOND PARTY shall have right to divert the services of Security Personnel with in the complex.

13. That stationeries, Security accessories like lathies, torch lights, boots, will be provided by the SECOND PARTY and the same has to be returned to the SECOND PARTY in the event of termination of Contract.

14. The two parties here accept the above mentioned terms and conditions in the presence of undermentioned witnesses.

for PARTY OF THE FIRST PART

for PARTY OF THE SECOND PART

WITNESSES

1.

2.

WITNESSES

1.

2.

C.O.No.9/91

Dated: 11.3.1991

OFFICE ORDER

Sub: Providing Security Services to the properties
of SIPCOT situated at Project Offices -
Guidelines - Issued.

Ref: 1. O.O.4/91, dated 18.1.91
2. O.O.7/91, dated 12.2.1991.

.....

Consequent on the decision taken as a policy to provide Security Services through Security Bureaus for safeguarding the Sick Units taken possession under SFC Act, detailed guidelines were issued in the office orders cited to be followed by the concerned officials. Similar decision has now been taken to utilise the services of Security Bureaus to safeguard SIPCOT properties at the Project Offices on different guidelines in respect of some aspects.


The following are the guidelines to be followed by the concerned Project Officers, in the case of appointment of Security Bureau to safeguard SIPCOT properties at Project Offices:

1. The engagement of Security Services to safeguard complex properties will be permitted only in exceptional circumstances for which specific orders of CMD has to be obtained in advance.
2. Only after obtaining the approval from the Ch. & M.D. further action will be pursued.
3. The quotations have to be called from atleast three local security Bureaus (Registered) and finalised by the concerned Project Officers with reference to the rates, terms and conditions with the approval of Head Office.
4. The procedures followed in case of tenders have to be followed in obtaining quotations from the Security Agencies.
5. The number of Security guards required will have to be decided considering the need and necessity of each case by the Chief Engineer, SIPCOT/G.M.

6. An agreement has to be entered into by the concerned Project Officer with the Security Agencies on finalisation of the quotations.
7. (a) The period of Agreement will be initially for six months from the date of actual engagement and the agreement has to be submitted to the Legal Department, Central Office before and after its execution. The agreement can be renewed with the approval of Head Office for 6 months at a time and it shall not be extended for more than 2 times.

(b) The same Security Bureau shall not be engaged for more than 18 months. After completion of 18 months only fresh quotations have to be obtained from at least three security Bureaus (Registered firms) excluding the one appointed earlier.
8. All bills for payment to Security Bureaus shall be paid only on production of log-book extract (Attendance Register) duly signed by the head of the Security Bureau and certified by the concerned Project Officer and payment should be made only to the Agency through Cheque.
9. The expenses are chargeable to the maintenance account of SIPCOT Complex prepared for annual estimates in respect of complexes.
10. By an Agreement, SIPCOT has to reserve full right to terminate the contract at any time it desires after a month's notice in writing.
11. The approval to engage Security Bureau to safeguard the properties in the complexes have to be obtained from the Chairman & Managing Director and the file will be processed in Civil Wing with specific number of Security Guards required for each complex.

12. The Project Officers are informed that any violation of above norms will be viewed seriously. They are requested to acknowledge receipt of this Office order immediately.


for CHAIRMAN & MANAGING DIRECTOR

To

All the Project Officers.

Copy to: The Civil Wing for necessary action

The Legal Department for necessary action

The Accounts Section for information

Spare - 4

• • • • •

DATED : 27.11.1991

• • • • •

FORWARDED/BY ORDER

163

SHOW-CAUSE NOTICE TO RECALL THE LOAN

DATED : _____

BY R.P.A.D.

Sirs,

Sub : Financial Assistance -
M/s.
- Term Loan/IFST Loan
of Rs. and Rs.
- Default in repayment of dues -
Show cause Notice to recall the loan
issued - Reg.

.....

In respect of the above Term Loan(s)/IFST Loan,
the following amount(s) have already fallen due and not paid
by the first of you, inspite of periodical demand notices sent.

Overdues as on

	Rs.
Principal Overdues	:
Interest Overdues	:
Other dues	:
Commitment Charges	:
Total :	-----

(2) We, hereby, demand you to pay the above overdue
amounts within Ten days from the date of receipt of this Notice,
failing which the Corporation will exercise its right to
foreclose and recall the entire loan, and take all further steps
necessary to realise the entire outstandings.

(3) of you, as guarantors, have
personally guaranteed the repayment of the above Term Loan(s)/
IFST Loan sanctioned to M/s.
As the Company has defaulted in repayment of the dues as stated
above, you are hereby called upon to show-cause why your
personal guarantee(s) should not be invoked to realise the dues,
in terms of the Guarantee Deed executed by you. If the above
dues are not settled within the time stipulated, the Corporation
will issue foreclosure and recall order and proceed to realise the
dues holding you liable for all costs and consequences.

Yours faithfully,

for CHAIRMAN & MANAGING DIRECTOR

FORECLOSURE AND RECALL ORDER

Ref. Legal/_____

DATE : _____

Dear Sirs,

Sub : M/s.
 Financial Assistance - Term Loan/IFST Loan
 of Rs. and Rs.
 - Default in payment of dues to SIPCOT -
 Foreclosure and Recall Order issued.

Ref : Our Show Cause Notice No.
 dated

.....

Whereas by an Indenture of Registered Mortgage and/
 Equitable Mortgage created by you and other security documents
 executed on _____ in favour of the Corporation (SIPCOT),
 you have mortgaged the entire fixed assets as security for the
 above loan(s) assistance including IFST Loan, Seed Capital,
 subsidy, as the case may be.

Whereas even after the notice issued in the
 reference cited, you have not paid the amounts due as shown
 herein within the stipulated period.

Whereas you have also committed the following
 breaches and contraventions of the terms and conditions of
 sanction :

(Details to be furnished) (~~Strike out the clause
 if not applicable~~)

Now, therefore, the Corporation has decided to
 recall the entire outstanding principal, interest and commitmen
 charges, Insurance Premia, sundry expenses and other charges.

2. Under the aforesaid mortgage(s) created by you, a
 total sum of Rs. as detailed below is outstanding
 and payable by you as on _____ :

No.	Nature of Loan	Principal	Interest	Other Charges
		Rs.	Rs.	Rs.
		-----	-----	-----

3. In the circumstances, without prejudice to all the rights reserved to the Corporation, we hereby issue the Foreclosure Order for repayment of the entire Term Loan(s)/IFST Loan of Rs.

and call upon you to pay the Corporation the above sum within 15 days of receipt of this Notice, with further interest and additional interest at the stipulated rates till the date of payment.

4. On your failure to comply with the above demand, the Corporation will, without any further intimation or reference to you, proceed to exercise and enforce any of the following rights available to it to recover the dues.

(i) To take over the management or possession or both of the Industrial concern, in exercise of the powers vested with the Corporation under Section 29 of the State Financial Corporations Act, 1951 (SFC Act) and to lease out or sell the concern to realise the dues.

(ii) Filing of petition under Section 31 of SFC Act for -

- a) an order of sale of the property mortgaged/hypothecated; or
- b) for enforcing the liability of the surety; or
- c) for transferring the management of the industrial concern to the Corporation.

(iii) Recovering the dues under the Revenue Recovery Act in the manner prescribed under Section 32G of the SFC Act.

(iv) Filing of Civil Suit for enforcement of our rights against the Company and the guarantors.

(v) Exercising the right of private sale under Section 69 or appointment of Receiver under Section 69 A of the Transfer of Property Act, 1882 to realise our dues. (Applicable to Registered Mortgage).

5. The above action is without prejudice to our right to recall the other loans, viz. Seed Capital Assistance, IFST Loan and Subsidy, if any.

Yours faithfully,

Copy to : Personal Guarantors
: Banker/Other Financial Institutions
: The Special Tahsildar (Recovery), concerned Region.
: Follow-up & Recovery Department
: Accounts Department
: Legal Department.

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED,

19-A, RUKMANI LAKSHMIPATHY ROAD, MADRAS-8.

.....

OFFICE ORDER

O.O. NO.26/92

DATED :26.04.92

Sub : SIPCOT - Units taken over under
SFC Act - Security arrangement.

.....

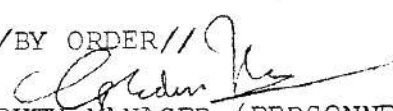
The mortgaged assets of several units have already been taken over under SFC Act and they have been handed over to the Project Officer with proper security arrangements. The Project Officers should conduct routine inspection of these units, either by themselves or by their Assistant Engineers every month. If any theft or burglary is noticed during such inspection, the concerned Project Officer should immediately report the matter to the Police Station having jurisdiction and register the case. He should also send a report immediately to the Head Office with copy to Regional Manager within three days from the date of occurrence of the theft. The Insurance Companies insist that the claim letter should be sent to them within seven days from the date of occurrence. The Project Officers should therefore adhere to the time limit of three days in sending their reports to Head Office with copy to Regional Manager.

B. VIJAYARAGHAVAN,
CHAIRMAN & MANAGING DIRECTOR.

To
All Project Officers
All Regional Managers.

Copy to : All General Managers
: Deputy General Manager (A&L)
: CMD's Table.
: P.S. to CMD.

//FORWARDED/BY ORDER//


DEPUTY MANAGER (PERSONNEL)

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED
19-A, RUKMANI LAKSHMIPATHY ROAD, EGMORE, MADRAS - 600 008

OFFICE ORDER

O.O. No. 48/92

Dated: 3.06.1992

Sub: Sale of the mortgaged assets of the
defaulting units under the SFC Act -
Proceeding against the guarantors
personally - procedure - Reg.

In respect of defaulting units, action is being taken under Section 29 of the SFC Act for sale of the mortgaged assets. After appropriating the sale proceeds towards the dues, for the balance amount, if any, proceedings will have to be initiated against the promoters/directors who have personally guaranteed the Term Loan. Under Section 31 of the SFC Act, action can be taken against the defaulting units and the guarantors for recovery of the dues.


Hence, after sale of the mortgaged assets, for enforcing the liability against the guarantors, a petition under Section 31 of the SFC Act should be filed and not a Civil Suit. The procedure under the SFC Act is of a summary nature and the Court fee payable is a fixed fee of Rs.10/- irrespective of the claim. If the guarantors are in possession of any immovable properties, the same should also be attached by filing a petition under the SFC Act.



B. VIJAYARAGHAVAN
CHAIRMAN & MANAGING DIRECTOR

TO
All General Managers
All Head of the Departments

Copy to:
PS to CMD
CMD's Table


216


C.M.(PER)


316
Comptroller
H.D. 316

Draft

DEVELOPMENT (SOUTH)

O.O. NO. 92 /92

Dated: 14-10-1992

OFFICE ORDER

Sub: SIPCOT Industrial Complexes - Units
located in the Complexes - Transfer
or Sale of the assets of sick units
- Recovery of dues towards land cost
- Procedure to be followed -
Instructions issued.

SIPCOT allots Industrial Plots to entrepreneurs in various Industrial Complexes on 99 years lease for setting up Industrial Units. The allotment is made subject to the terms and conditions set out in the allotment letter and the lease deed ~~to be~~ executed. Any violation of the terms and conditions of allotment or any default in payment of dues to SIPCOT on account of land will result in (1) cancellation of allotment and, finally, resumption of land and (2) disconnection of water supply.

2) At the request of the allottees, SIPCOT issues No Objection Letter to enable them to mortgage their ^{loan held} interest over land in favour of financial institutions like IDBI, ICICI, IFCI, TIIC and Banks for availing Term Loans. The No Objection Letter issued is subject to the condition that if the mortgaged assets including leasehold rights on land is sold or transferred for default, the auction purchaser/new incumbent should apply to SIPCOT for

.....2.....

VB

transfer of the leasehold rights of the plot and also agree to comply with all the terms and conditions that may be stipulated by SIPCOT. Clause 48 of the terms and conditions of lease deed stipulates that the lessee or purchaser of the plot shall not be released from any of the stipulations, obligations and restrictions imposed upon the allotted plot. These conditions are applicable to SIPCOT assisted units also.

(3) Hence, it should be ensured that whenever we approve change of management or sale of fixed assets of any sick unit located in the Industrial Complexes for default, ^{or for any other reason} the auction purchaser/new incumbent should be made to agree fully to settle all dues to SIPCOT on land cost, ^{interest, fixed interest,} maintenance charges, water charges, etc. The new incumbent should also be informed to obtain separate approval of SIPCOT for transfer of the leasehold rights and such approval will be given only on full settlement of dues on account of land, etc. as indicated above ^{and to the extent it is required as may be required by SIPCOT}

The above procedure should be strictly followed in the case of all ~~assisted~~ ^{or} units of SIPCOT located in SIPCOT Industrial Complexes. ^{who have been allotted land on lease basis}

 14/10

CHAIRMAN & MANAGING DIRECTOR.

TO

G.M. (PF & D)

G.M. (A&L)

G.M. (F&R)


COPY TO: All Officers in PF & F&R Depts. ^{3 AD}


All R.M.s and P.Os. for information

P.S. to C.M.D.

C.M.D.'s Table.

 13/10

 13/10
M.M. (AID)

 14/10
G.M. (PF&D)



STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LIMITED
19A, Rukmani Lakshmipathy Road, Egmore, Chennai-600 008.

OFFICE ORDER

O.O.No.99/92

Issued date:30.11.1992

Re-issued

Date:11.02.2021

Sub: Filing of SFC Petition/ Civil Suit for
recovery of balance dues from Guarantors –
fixing cut of date for recovery of dues – reg.

Ref: O.O.No.48/92 dated 3.6.92.

1. A petition under Section 31 of the SFC Act/Civil suit should be filed after the sale of mortgaged assets, for enforcing the balance liabilities against the defaulting units and the Guarantors. For this the balance liability of the earlier promoters should be reckoned from the date of acceptance or first payment by the new party to whom the assets are sold whichever is earlier.

2. In case, the sale of assets is carried out in different transactions the cut off date shall be fixed as given in the above para after finalisation of the last sale. The SFC Petition/Civil Suit shall be filed after the sale of the entire mortgaged assets of the unit.

3. The rate of interest to be charged from the cut off date for the balance liability shall be the current rate of interest prevailing at the time of filing the SFC Petition, Civil Suit

(This Office Order is re-issued)

Sd/-xx
B.VIJAYARAGHAVAN,
CHAIRMAN AND MANAGING DIRECTOR

To

All General Managers
All Head of the Departments

Copy to:

P.S.to C.M.D.

C.M.D's Table.

/Forwarded By Order/

MANAGING DIRECTOR

18/22

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LIMITED
19A, Rukmani Lakshmipathy Road, Egmore, Chennai-600 008.

OFFICE ORDER

O.O.No.102/92

Issued date:07.12.1992

Re-issued:

Date:11.02.2021

Sub: Foreclosure of Loans Demand Collection
and Balance statements.

In supersession of the O.O.No.55/92 dated 30.6.92 the mode of treatment of foreclosure of loans will stand modified as given below.

(1) Once the foreclosure Order is issued, the entire outstanding becomes overdue and penal interest will be charged on the entire outstanding.

(2) In the event of withdrawal of foreclosure orders, the treatment of additional penal interest levied in lieu of foreclosure orders will be examined and decision taken on merits.

(3) Foreclosure effect in principal and interest should be removed for reporting the arrears and recovery position to the Board or to any outside agencies such as Government, IDBI, AG. etc.,

(4) Monthly Demand, Collection and Balance statement and Dues statement put up for CMD'S review will be inclusive of foreclosure effect.

(This Office Order is re-issued)

Sd/-xxxx
B.VIJAYARAGHAVAN
CHAIRMAN AND MANAGING DIRECTOR

To

General Manager(PF&D)
General Manager(F)
General Manager(A&L)
All Heads of Departments

Copy to:
P.S.to CMD
CMD's Table
AGM(IA)

//Forwarded By Order//


MANAGING DIRECTOR

19/22

19-A, RUKMANI LAKSHMIPATHY ROAD, EGMORE, MADRAS-8

O.O.No. 16/94

Dt. 27.4.94

OFFICE ORDER

Sub : SIPCOT - Sanction of term loan - Default in payment of dues - Request for one time settlement by the unit - instruction issued.

It is noticed that some of the units ^{that} have availed themselves of term loans from SIPCOT have defaulted in payment of dues. At present the entrepreneurs who have defaulted in the payment approach for one time settlement departmentally by contacting the dealing officers or AGM/GM. The requests given in writing are put up in a routine way.

In view of the above, the following instructions are issued:-

i.) Whenever the assisted units approach for one time settlement, they shall submit such proposals with all information directly to the Managing Director. In the absence of the Managing Director, the proposal can be submitted to G.M(F&L) who in turn will bring it to the notice of the MD.

ii) ~~Entrepreneurs of the assisted units coming for any preliminary discussions alone, shall contact~~ ^{General} Officers of the rank of Asst Managers and above ^{alone} should have preliminary discussion with entrepreneurs of assisted units for settlement.

iii) Only the total principal and interest dues figures should be furnished on request. || This O.O. takes immediate effect which should be strictly adhered to.

[Signature]
27/4/94
AGM(F&R)

[Signature]
27/4
GM(F&L)

[Signature]
27/4
M.D.

TO
G.Ms.
D.G.Ms.
A.G.Ms.
P.S. to M.D.

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LIMITED
19A, Rukmani Lakshmipathy Road, Egmore, Chennai-600 008.

OFFICE ORDER

O.O.No.17/94

Issued date:27.04.1994

Re-issued:

Date:11.02.2021

Sub: Assisted units – charging of interest on other
dues in the accounts –Reg.

Hitherto SIPCOT is not charging interest on the following sundry expenses:-

1. Premium for insurance Policies
2. Fee for valuation of assets
3. Security charges for safeguarding the assets
4. Travelling expenses for inspection /handing over/ taking over of assets
5. Advertisement expenses etc.

Since TIIC is charging interest on the above sundry expenses, it has now been decided to charge simple interest in respect of all the sundry expenses as mentioned above and others. The rate of interest would be the prevailing rate for the particular account.

Accounts Department may take action in this regard for the existing accounts as on 1.4.94.

While sharing the sale proceeds among the institutions, the files after making calculations on the sharing pattern by the concerned Follow-Up Department have to be routed through Accounts Department to verify the correctness of the apportionment of the sale proceeds. The said procedure should be followed in all future cases.

(This Office Order is re-issued).

Sd/-
MANAGING DIRECTOR

//Forwarded By Order//

MANAGING DIRECTOR

20/20

DRAFT FOR APPROVAL :

O.O.No. 22/94

Dated: 14.6.1994

OFFICE ORDER

Sub: Filing of SFC Petition/Civil Suit for recovery of balance dues from Guarantors - Fixing of cut off date for recovery of balance dues in respect of jointly assisted cases - Reg.

Ref: O.O.No.99/92 dated 30.11.1992.

-x-x-

This has reference to the Office Order No.99/92 dated 30.11.92 wherein it was decided that the cut off date for arriving at the balance liabilities should be the date of acceptance or first payment by the new party to whom the assets have been sold whichever is earlier. In case, the sale of assets are carried out in different transactions, the cut off date should be fixed as stated above after finalisation of last sale.

There are instances where assets are sold by TIIC, Bank or other institutions. In such jointly assisted cases, the date of acceptance of our Board for the final sale of the assets should be reckoned as the cut off date for arriving at the balance liability after adjustment of sale proceeds of assets.

[Signature]
14/6
SHEELA BALAKRISHNAN
MANAGING DIRECTOR
2/2

TO

All General Manager

All Head of the Departments

Copy to

P.S. to M.D.

M.Ds Table

Manager (IA)

[Signature]
9/6/94
D.M.

[Signature]
9/6/94
SLM / MDS / MDU
A.G.M. (F&R)

[Signature]
14/6
G.M. (F&L)

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LTD.
19A, Rukmani Lakshmipathy Salai, Egmore, Chennai-8.

O.O.No. 12/98

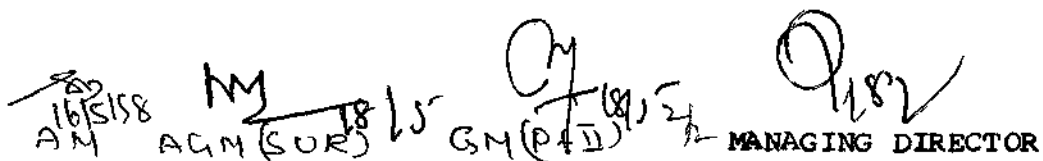
Dated: 18.5.98

OFFICE ORDER

Sub: Sale of assets of sick units - payment
of interest on the committed amount - reg.

Ref: The Minutes of the Board Meeting held on
25.3.98.

The Board of SIPCOT at its meeting held on
25.3.98 has decided in respect of sick units where assets
are being sold, the purchaser shall have to pay interest
on the committed amount after 45 days from the date of
confirmation of sale by ^{the} Board.


16/5/98 AM AGM(SUR) 18/5 GM(P&D) 21/5 MANAGING DIRECTOR

To

All General Managers

All Heads of Departments

Chief Engineer

All Project Officers

Accounts Department

P.S. to M.D.

P.S. to Chairman.

DRAFT FOR APPROVAL :

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED
19-A, RUKMANI LAKSHMIPATHY ROAD, EGMORE, CHENNAI-600008.

O.O. No. 15/93

Dated : 16.6.1998

OFFICE ORDER *

Sub : Accepting Collateral Securities.

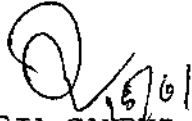
Ref : The Minutes of the Board Meeting
held on 27.5.1998.

X-X-X-X-X

The Board of SIPCOT at its meeting held on 27.5.1998 directed that the Corporation should accept collateral security only of the properties which could be encashable.

Hence the appraising Officers while examining the collateral security aspect shall henceforth insist the promoters to offer encashable properties like Housing Plots, Houses, Commercial Plots, Commercial Complexes etc. Agricultural lands should not be accepted as collateral security.

This will come into force with immediate effect.

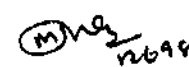

QUDSIA GANDHI
MANAGING DIRECTOR

2/2

To

All General Manager
All Heads of Department
Civil Engineer
All Project Officers
Accounts Department
P.S. to M.D.
P.S. to Chairman


AGM (OP-II)


GM (PF-I)


GM (PF-II)

64

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED
19-A, Rukmani Lakshmipathy Road, Egmore, Chennai - 8.

O.O.No. 21 /98

Dated : 23. 7.1998

7
OFFICE ORDER


Sub : Accepting Collateral Securities.

Ref : 1) The Minutes of the Board Meeting held on 27.5.98.
2) Office Order No.15/98 dt.15.6.1998.

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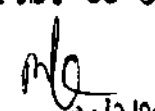
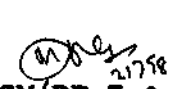

In partial modification of the Office Order second cited, agricultural lands which could be encashable such as mangrove, coconutgrove, wet cultivable lands etc. could be accepted as collateral security. Dry lands, fallow lands, rocky lands etc. should not be accepted as collateral security.

This will come into force with immediate effect.

2/2

(QUDSIA GANDHI)
MANAGING DIRECTOR

To

All General Managers
All Heads of Department
Chief Engineer
All Project Officers
Accounts Department
P.S. to M.D.
P.S. to Chairman

 21/7/98 2/2  21/7/98 2/2  2/2
AGM(OP-II) GM(PF-I & I) GM(PF, II&A)

Draft

O.O.No. 17/2001

Dt. 6.3.2001.

OFFICE ORDER


Sub : Providing Security arrangement to safeguard
the assets taken possession under SFC Act –
Instructions issued.

After a detailed review on the subject matter the following
decisions were taken with regard to posting of security guards to safeguard the
mortgaged assets of the units taken possession under SFC Act.

1. The total number of security guards posted for an unit
should not in any way exceed three (at the rate of one each
for three shifts) for units located in SIPCOT Industrial
Complexes and four (at the rate of one each for first and
second shifts and two for third shift) for units located
outside the SIPCOT Industrial Complexes. The above
ceiling should be adopted invariably for all the units
irrespective of their size and location. The revision in
number of guards should take effect from 1.4.2001 (the date
of commencement of next contract period). Further, ^{not} more
~~than one agency might be fixed for a jurisdiction depending~~
~~upon the number of units to be guarded in the particular~~
~~jurisdiction.~~ *more than five (5) units should be allotted to any
single Security Agency within an Industrial Park.*
2. In future, the finalisation of Security Agencies viz., calling
of tenders, processing, finalisation and fixing of Security
Agencies should be done at Head Office by DGM(SUR)
with due approval of GM(PF&SUR) instead of Project
Officers/Regional Managers. The Project Officers will
however be responsible in regard to providing security
arrangements to the units taken possession under SFC Act
within their jurisdiction with the Security Agencies fixed for
their jurisdiction by H.O. They should co-ordinate with the
DGM(SUR) in respect of all matters relating to security
arrangements by providing necessary
records/particulars/information as called for by him then and
there.
3. If the Project Officers had already taken action to call for
tenders from the agencies from their end for the coming
year (2001-2002), the same should be immediately
withdrawn by suitably informing to the agencies and the fact
intimated to DGM(SUR) forthwith.

4. Till such time the new agencies are finalised for the next year 2001-2002 by HO, the present arrangement might be continued with the same security agency already approved for the year 2000-2001.

nf ps.
modified item here
if approved by MD.

As suggested by
CM (PSO)


5. The Project Officers concerned should make surprise checks of the security work then and there and report to HO immediately for suitable action, if any, slackness or shortfall in the security arrangement is noticed.

6. The Project Officers should send a quarterly report to the General Manager (PF&SUR) on this subject regularly, which should contain the following information in respect of each unit coming under their jurisdiction:

- i) Name of the unit
- ii) Name of the Security Agency & number of guards posted
- iii) Expenditure incurred during the period of the report towards security charges.
- iv) Details of tender finalised (in the first quarter report only)
- v) The availability of assets in the units with reference to the inventory list.
- vi) The details of visits made by the Project Officers/Officials during the period of the report.
- vii) Whether the details of expenditure incurred up to the last quarter were informed to HO in Accounts Department for necessary entries to be made in the books of accounts.
- viii) Details of the theft if any occurred previously.

The above decisions are accordingly communicated to all the Project Officers ^{dealing officers} concerned for strict adherence by them. They may take note that any violation/lapses in this regard will be viewed seriously and suitable action taken against them. The POs are requested to acknowledge receipt of this Order immediately.

Flag (X)

Necessary amendments to the Circular No.E1/Misc./59/91
dt.14.9.1992 on this subject will issue separately from the Personnel
Department.

This Order will take immediate effect.

2h
or
16/3/2001
MANAGING DIRECTOR

To

All the Project Officers concerned

Copy to :

GM(P&D)
GM(PF&SUR)
GM(A&CF)
D.G.M. (SUR)
RMs
Personnel Department
Accounts Department
P.S to Chairperson
P.S to Managing Director.

2/2
21/3/2001
D.M. (Sur) / Am (PR & SUR)

2/2
21/3/2001
Am

DRAFT

O.O.NO. 8 /2003

01.07.
DATE : -06.2003

OFFICE ORDER

Sub : Possession Taken Units - Streamlining of Security Arrangements - Reg.

The present security arrangements to safeguard the assets of the Possession Taken Units were reviewed by CMD. The following instructions on the security arrangements have to be strictly followed with immediate effect.

(1) Double Lock System :

The Double Lock System - One lock each from Project Office and Security Agency has to be provided in respect of all the Possession Taken Units and the units have to be opened with both the keys, in the presence of responsible officers of Project Office and Security Agency.

(2) Maintenance of Log Book

In all the Possession Taken Units, the security guard at the gate has to keep a Log Book to enter the details of the visitors to the unit. The date, time, name of the visitor and purpose of visit ^{and their signature.} have to be recorded in the Log book. Whenever the locks are opened, the same has to be recorded and the details of availability of all the items have also to be recorded, besides the date and time of relocking. The Log Books have to be verified periodically by the concerned Project Officers and they have to send a report about the maintenance of Log Book, adverse observations, if any in the Log Book and tampering or otherwise of the assets under their control at least once in a month to the Head Office.

All the Project Officers have to take immediate steps to comply the above instructions and give their compliance report by 15th July 2003.


27/6/03
D.G.M.(F&R-II)


27/6/03
A.G.M.(L)


30/6/03
G.M.(A&LA)


1/7/03
C.M.D.

DRAFT FOR APPROVAL

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LTD.
19-A, RUKMANI LAKSHMIPATHY ROAD, EGMORE, CHENNAI – 600 008

O.O. No. 10 /2003

Date : ²⁴07.2003

OFFICE ORDER

Sub : Possession Taken Units – Periodical Inspection – Instructions
issued – Reg.

The Possession Taken Units under the control of Project Officers require periodical inspection to avoid thefts and for proper maintenance. The Project Officers are directed to make periodical inspection of Possession Taken Units under their control and forward their reports to the Head Office. The security agency has to be alerted and they have to certify as to the correctness of the materials in the Possession Taken Units once in a quarter.


CHAIRMAN & MANAGING DIRECTOR

To

^{2/2}

Senior Project Manager / Project Managers/
Project Officers / Project Officers i/c.

Copy to :

All General Managers
All HODs
Internal Audit Dept.
PS to CMD


A.M. 23/2/03


23/2/03
D.G.M.(F&R-II)

O.O. No.11/2012

Dated : 14 .11.2012

OFFICE ORDER

Sub : F & R Dept. - Units financed by SIPCOT - Inspection of the units -
Reg.

- - - -

It is brought to notice from F & R Dept. that as of now, residual works in respect of 159 term loan cases are being dealt with by F & R Department, of which the possession of 19 units are now with SIPCOT. In order to ensure the possession of machineries etc., for which the term loan was sanctioned and disbursed by SIPCOT, the units have to be inspected periodically.

Therefore, the Officers of F & R Dept. comprising Thiru N. Poosaithurai, AGM and E. Bathiah, Manager are directed to inspect all the units to which SIPCOT has financed and the residual works are carried out by F & R Dept. @ not less than 4 units per month and to submit their inspection report to the Principal Secretary / CMD without fail. The above team of Officers is instructed to take up the inspection of the units which are now under SIPCOT possession first, followed by other units for which SIPCOT has financed.

This order comes into force with immediate effect.

Sd/..
(SWARAN SINGH)
PRINCIPAL SECRETARY /
CHAIRMAN & MANAGING DIRECTOR

To
Thiru N. Poosaithurai, AGM
Thiru E. Bathiah, Manager

Copy to :
Executive Director i/c
All HoDs
All SPMs / PMs / POs
P.S. to P.S. / CMD

// Forwarded by order //


GENERAL MANAGER (A & LA) 15/11/2012
EXECUTIVE DIRECTOR i/c


15/11/2012

O.O. No.09/2018

Dated: 25.10.2018

OFFICE ORDER

Sub: SIPCOT- fixation of upset price on sale of the mortgaged assets taken possession by SIPCOT/joint finance cases with TIIC - revision of policy and guidelines – Board's approval - reg.

The Board of SIPCOT at its meeting held on 26.9.2018 approved the policy on fixation of upset price on sale of mortgaged assets taken possession by SIPCOT and authorized MD-SIPCOT to fix the upset price. The procedure is as follows:

1. The property proposed to be auctioned will be valued by the Panel valuers of TIIC ie. land by Panel Surveyor, Building by Panel Civil Engineers and machinery by Panel Mechanical Engineers to estimate guideline value (GV) and Market Value (MV) of the property.
2. Internal Valuation Committee constituted with the following Officers will do second valuation and will provide guideline value, market value, realisable value (RV) and distress sale value in valuation report. Besides, the report shall mention the classification of property viz. commercial/residential/ industrial/ agricultural and location of property i.e. Corporation / Municipal towns/Villages.
 - a) Project Officer (located nearby the Assisted Unit) – Member and Co-ordinator
 - b) Officer in the rank of Tahsildar and above (on deputation to SIPCOT) for Valuation of Land.
 - c) Officer in the Rank of Asst Executive Engineer / Asst. Manager (Civil) and above including deputationists for valuation of Buildings and Plant & Machinery.

.2.

3. Based on the above valuation and taking into account the representation from the borrower/collateral owner, upset price will be fixed. The upset price for the first auction will not be less than the RV or 75% of the MV/GV whichever is higher.
4. If there is no bidder for the first auction, the upset price will continue for the second auction sale also.
5. The valuation will be normally valid for one year from the date of valuation.
6. For the third auction, if there were no confirmed bids in the earlier two auctions, the upset price will be fixed at 65% of MV/GV or 90% of RV whichever is higher.
7. If there were no confirmed bids in the third auction also, the upset price for the subsequent auctions will be fixed at 50% of MV/GV or 75% of RV whichever is higher.
8. If there is no bidder, then the entire process from 1 to 7 will be done again.


The Board further authorized MD-SIPCOT to concur the upset price fixed by TIIC for sale of assets in joint finance cases with TIIC.

The above Office order is issued in supersession of all earlier proceedings/ Circulars/Office orders issued in this regard.

Sd/-
K.SRINIVASAN
MANAGING DIRECTOR

To
All General Managers
All HODs
All Project Managers/ Project Officers/P.O. i/c.
PS to MD

/FORWARDED BY ORDER/


ASSISTANT GENERAL MANAGER

2/A

4. IFST LOAN CASES

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED
19-A, Rukmani Lakshimipathy Road, Egmore, Chennai-600 008.

CIRCULAR

No.17/1993

Issued Date: 13.04 .1993

Re-issued

Date: 11 .02 .2021

Sub: Interest Free Sales Tax Waiver Scheme –
Extension to two Instronic Estates

In G.O.Ms.No.83, Industries (MIG,II) Dept. dt.24.02.1993, Government have extended IFST Waiver Scheme (presently applicable to 31 most Backward Taluks and three Industrial Complexes of SIPCOT at Pudukottai, Cuddalore and Manamadurai) to the two Instronic Estates viz., Dr. Vikram Sarabhai Instronic Estate, Thiruvannamiyur, Madras and Electronic City at Sholinganallur in Chengalpattu M.G.R. District.

(This circular is re-issued).


Sd/- xxx
(B. VIJAYARAGHAVAN)
CHAIRMAN & MANAGING DIRECTOR

To

All GMs
All HODs
All Pos
All RMs

Copy to:
CMD's Table
PS to CMD
AGM (IA)

//FORWARDED BY ORDER//


MANAGING DIRECTOR

3/2P

6 June 1981

111

Circular No. 28/93

Date: 13.8.93

Sub: Appropriation of remittance
towards IFST Loan instalments
from the assisted units.

In partial modification of Circular No.49/91
dt.11.10.91 regarding IFST Loan, the remittance made
by the assisted units towards IFST Loan overdues will
be appropriated in the following order of priority
w.e.f. 1.8.1993.

- (i) Firstly towards CC on the undrawn balance
of IFST Loan.
- (ii) Secondly penal interest on the defaulted
period should be worked out on the date of
receipt of instalment in full/part and
appropriated first towards Penal Interest
due and the balance, if any be appropriated
towards principal due.

L
CMD

To

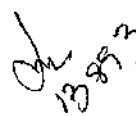
1. All GM's
2. All HODs
3. All Officers in
Accounts Section

Copy to:

P.S. to CMD

CMD's table.


DGM(A)


GM(PF&D)

in compliance with
13/8/93

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED

19-A, Rukmani Lakshmipathy Road, Egmore, Madras - 600008

Cir.No. 6/95

Dt. 3³/2. 95.

CIRCULAR

*Subj: Delegation of Powers to M.D. SIPCOT in
respect of IFST loan scheme.*


In G.O.Ms.No.342 Industries (MIG II) Dept. dt.30.12.94,

Govt. have delegated certain powers to M.D., SIPCOT in respect of repayment of IFST loans. The Board of SIPCOT at its meeting held on 31.1.95 has recorded the following powers delegated to M.D., SIPCOT for considering the reschedulement of Interest Free Sales Tax Loan :-

1. Approval for lapsing of undrawn loan amount on completion of project and/or upon request by the units.
2. Approval for changing of guarantors.
3. Approval for creation of further charge on security/relaxation of charge created by the unit.
4. Approval for addition/deletion/change of machineries within the project cost.
5. Approval for appointment/reappointment of Managing Director/wholetime Director/Directors of the assisted units/change in the constitution of the Board of the assisted units.
6. Approval for change of management of the unit/merger with a healthy unit.
7. Approval for sale of assets.
8. Rephasement of Interest Free Sales Tax Loan annual instalments into quarterly/monthly instalments.
9. Approval for revision of repayment schedule based on cash losses of the units and sacrifice of term lending institutions. Such revised repayment schedule of IFST loan will carry interest at 24% p.a.

/ pto

10. Approval for revival measures for sick units recommended by operating agency for draft Bureau of Industrial Financial Reconstruction packages.
11. Approval for repayment schedule for Interest Free Sales Tax Loan under RSR scheme recommended by lead institution/major lending institution.
12. Approval for payment of insurance premium where legal action is initiated.
13. Approval to institute, carry on abandon or compromise any legal proceedings and to execute power of attorney, sign vakalats, plaintiff, written statements, affidavits and counter affidavits and all other documents in connection with court cases on behalf of the Government.
14. Approval to institute legal action under section 29 to 32G of the SFC Act 1951 to recover the dues of Interest Free Sales Tax Loan from the defaulting units.
15. Condonation of violation of any other terms and conditions of sanction, ^{duly} ~~and~~ recording reasons therefor.


 3/3
 MANAGING DIRECTOR

Om
24/2/95

Dr
27/2/95
AGM

Dr
27/2/95
CM (F&A)

To
All General Managers
All HODs
P. S. & M. D.

Dr
2/2/95
AGM

Dr
2/2/95
CM (F&A)

5. RE-SCHEDULEMENT CASES

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED

19-A, RUKMANI LAKSHMIPATHY ROAD, EGMORE, MADRAS - 8.

Circular No. 52/91 :91

Dt. .10.91.

CIRCULAR

Sub: Reschedulement cases - Condition for
cancellation in case of violation of
any terms of the reschedulement

-x-x-

The Board of SIPCOT at its meeting held on 23.10.1991
decided that the following condition should be stipulated
in respect of ^{reschedulement} cases hereafter.

"If there is a violation of any of the terms of
reschedulement/rehabilitation, the reschedulement/
rehabilitation will automatically stand cancelled
and the entire outstanding including portion of
overdues waived, if any, will be treated as
overdue and recovered in a lumpsum with interest
thereon".

The Board also authorised the CMD to revalidate the
reschedulement in individual cases if considered fit and proper.

With effect from 23.10.1991, all the concerned
Departments dealing with rescheduling of principal and funding
of interest should stipulate the above condition as part
and parcel of the reschedulement/rehabilitation proposal.
Any violation of the terms of reschedulement/rehabilitation
thereafter by any assisted unit should be immediately brought
by the Asst. General Manager dealing with the case
to the notice of the General Manager concerned and necessary
steps for issue of foreclosure/recall order with due approval
of CMD should be taken.



(B. VIJAYARAGHAVAN)
CHAIRMAN AND MANAGING DIRECTOR.



G.M. (P)

...2

: 2 :

To

All GMS/DGMS/AGMS

All concerned Depts.

viz. Project Finance,

Follow-up & Recovery,

SUR, Accounts

Internal Audit Cell

CMD's Table

PS to CMD

/ar

D.F.A.

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LIMITED,
19-A, RUKMANI LAKSHMIPATHY ROAD, EGMORE, MADRAS-600 008.

Cir.No.34/95

Dated: 11.9.95

CIRCULAR

Sub: Procedure for reschedulement of
Term Loan principal overdues and
funding of interest.

In order to facilitate computerisation of interest workings and to maintain uniformity in all interest workings/ calculations, the following procedure hitherto followed may be strictly adopted:

1. The overdue principal in all loan accounts of the unit should be combined and the revised rate of interest may be charged on this amount.
2. The overdue interest in all loan accounts should be combined with reference to a particular quarter ending, by treating it as ~~a~~ funded interest and the revised rate of interest may be charged on this amount.
3. Future principal instalments need not be funded. If it is to be funded it may be combined with overdue principal as stated in 1 above (i.e.) a consolidated repayment schedule may be given, to be followed for raising of demand in future.

Further, the ^{ensuing} quarter ending date should be taken as the effective date of reschedulement. The compliance with the above procedures are essential, for accounting requirements.

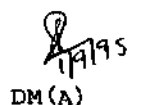

MANAGING DIRECTOR

To

CGM
All GMs.
DGMs/AGMs

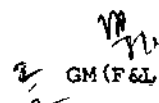
Copy to:

P.S. to M.D.


DM(A)


AGM(A)


GM(ASA)


GM(F&L)

mgs/


Circular No. I /2000

Dt. 20 .1.2000

CIRCULAR


Sub: Reschedulement of Term Loan -
extending terminal date - policy.


The Board of SIPCOT at its meeting held on 31.12.99 took a policy that in future the proposal for reschedulement of term loan beyond the terminal date and consideration of other concessions should be brought to the Board where the units had completed three years of their operation (or) where there was 50% erosion in networth. The Board also directed that in the cases of difficulties faced due to general recession by the units in the industrial sectors such as Textile, Steel and Paper, the proposal for reschedulement beyond the terminal date might be brought to the Board for consideration on merits of each case.


QUDSIA GANDHI,
MANAGING DIRECTOR.

TO

All General Managers,
All HODs,
Superintending Engineer,
PS to CH,
PS to MD.


19.1.2000
Manager


GM(PF-II&A) 11
12

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED
19-A, Rukmani Lakshimipathy Road, Egmore, Chennai-600 008.

CIRCULAR

No.37/2002

Issued Date: 07.06.2002

Re-issued

Date: 11.02.2021

Sub: SIPCOT – Term Loan Assistance – Request for
reschedulement of term loan / funding of interest – reg.

It is noticed that many of the term loan assisted units come with proposal for reschedulement of term loan/funding of interest when they are insisted upon to pay our dues. So far the reschedulement of term loan and funding of interest has been given based on the reason stated by the company and also based on the cash flow and profitably ^{fix} statement supporting their stand. In view of the transfer of term lending activity to TIIC, to consider the company's request for reasonableness, it has been decided by CMD to get sufficiently enough collateral security from the promoters concerned or additional personal guarantee before considering the reschedulement of term loan and funding of interest. Therefore, Operation Departments are advised to take serious note on the above instructions and after obtaining orders of CMD on receipt of ^{additional} collateral security from the promoters/personal guarantee their request for reschedulement of term loan funding of interest may be considered on merits of each case. These instructions should be scrupulously followed in future in all cases with immediate effect.

(This circular is re-issued).

Sd/- xxx

CHAIRMAN AND MANAGING DIRECTOR

To
All GMs
All HODs
Officers of PF & SUR Depts.
P.S. to CMD

//FORWARDED BY ORDER//


MANAGING DIRECTOR

2/2

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LTD.
19-A, Rukmani Lakshmiipathy Road, Madras-8.

O.O.No. 10/92

Dated: 6.2.92

Sub: ^{Details of} ~~Indication of~~ overdue position ^{provided in} ~~in respect of~~ rescheduled cases and those allowed to remit overdues in monthly instalments.

In respect of regular rescheduling of term loan in any assisted unit, both the overdues as per original schedule (date of sanction) and as per revised schedule (date of sanction) should be indicated; ~~in respect of~~ all files and records maintained for the assisted unit. It should also be indicated whether the unit is remitting the instalments as per the revised schedule.

There are cases where regular rescheduling is not effected, but the Company is allowed to clear the overdues in monthly instalments on which we continue to levy penal interest till actual date of payment. In such cases the overdue position should be indicated as per the schedule existing prior to permission accorded for monthly payments. In addition, the date and the ~~mode~~ ^{mode} of monthly payments allowed should be indicated as a footnote, confirming whether or not the unit has remitted the monthly payment till date.

The above procedure should be followed by Project Finance, Follow-up & Recovery & Sick Unit Rehabilitation Depts. in respect of all assisted units.

G.M. (PF).

C.M.D.

All this in P.F.
Copy recommended
to be sent

→ AM/PAK
P. S. S.

6. SCREENING COMMITTEE

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LIMITED
19-A, Rukmani Lakshmiopathy Road, Madras-8.

C I R C U L A R

Circular No.32/91.

Dated: 6-9-1991.

Sub:- Screening Committee for assessing the
capacity and net worth of the entrepreneurs.

At present, only in respect of Seed Capital cases there is a Screening Committee constituted by IDBI which assesses the capability and net worth of the entrepreneurs before extending Seed Capital assistance along with SIPCOT. It is now considered necessary that in respect of non-seed capital cases also where term loan is being extended by SIPCOT there should be a similar Screening Committee to interview the entrepreneurs and assess their capability and net-worth so that a proper appraisal could be made of the management of the company and the project.

2. The Project Finance Department will prepare a draft appraisal report as in the case of Seed Capital cases after getting all required information from the promoters either by correspondence or summoning them in person. Before the draft appraisal report is finalised and approval of Chairman & Managing Director is obtained, the Screening Committee will interview the promoters and assess the following aspects:

- i) Technical feasibility.
- ii) Market and Commercial aspects.
- iii) Financial viability.
- iv) Background and capability of the promoters.
- v) Credit worthiness/Net-worth/Financial strength of promoters.
- vi) Strength & Weaknesses of the promoters and of the project.
- vii) Safeguards necessary against the anticipated deficiencies.

pto...2/-

3. The Screening Committee shall consist of the following members:

- i) Chairman & Managing Director, SIPCOT.
- ii) General Manager (Project Finance), SIPCOT.
- iii) A Nominee of TIIC.
- iv) A Nominee of IDBI.
- v) A technical expert in the line of manufacture proposed.

4. After the interview is over and the feasibility report is approved by Chairman & Managing Director, the case will be placed before the Board.

Sd/- B. VIJAYARAGHAVAN.
CHAIRMAN & MANAGING DIRECTOR.

To

The G.M.(PF)
and all others in PF Dept.

Copy to: CMD's Table
PS to CMD.

//FORWARDED/BY ORDER//


GENERAL MANAGER (PF).

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LTD.
19-A, Rukmani Lakshmipathy Road, Egmore, Madras-8.

Circular No. 5/92.

Dated: 10-1-1992.

CIRCULAR

Sub:- Term Loans Screening Committee.

Ref:- Circular No.32/91, dt.6-9-91.

In partial modification ^a to the Circular cited,
the Screening Committee for appraisal of projects and
assessing the
for/capacity and net worth of the entrepreneurs is
reconstituted as follows:

- (i) Chairman & Managing Director, SIPCOT - Chairman
of the
Committee.
- (ii) General Manager (Project Finance), SIPCOT.
- (iii) A Nominee of TIIC.
- (iv) A technical expert in the line of manufacture
proposed.

2. It is clarified hereby ^{that} ~~there~~ ^{are} cases of additional
term loans whether to meet cost over-run or as part of
rehabilitation packages should also be placed before the
Screening Committee.


GM(PF)
10/1/92


B. VIJAYARAGHAVAN.
CHAIRMAN & MANAGING DIRECTOR.

cc All AM's / DUM's / AGM's
Project Finance - TLT
Project Finance - TLT
SUA
Following & necessary
PS to CMD
CMD's Table

OFFICE ORDER

O.O No. 14/96

Dated 23.7.96.

Sub: Project Appraisal - Screening Committee.

- - -

As per the existing practice, the Screening Committee in respect of Term Loan sanction is scheduled prior to the Board Meeting, duly placing the appraisal note ^{as} ~~for~~ approved ^{that} ~~hence~~ by ^{the} ~~the~~ Managing Director with an endorsement. Hence the recommendation of the Screening Committee will be placed before the Board separately.

In future, prior clearance of Managing Director shall be obtained by the Loan Sanction Department for *placing* all Term Loan cases to be placed before the Screening Committee. Once the outcome of the Screening Committee and its decisions are known, the draft appraisal incorporating the Screening Committee decisions will be ~~be~~ submitted to Managing Director for ~~final~~ approval.

This procedure will be followed from the next Board Meeting (i.e.) from August 1996 onwards.

Qudsia Gandhi
QUDSIA GANDHI,
MANAGING DIRECTOR.

MV 23/7/96
DGM (LSD-I)

CGM
CGM

To
The Chief General Manager
All GMs
All HODs

Copy to:
MD's Table
PS to MD
Chairman's Table
PS to Chairman
Internal Audit

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LIMITED
19-A, RUKMANI LAKSHMIPATHY SALAI, EGMORE, CHENNAI-8.

O.O.NO. 10 /2018

Dated: 25.10.2018

OFFICE ORDER

Sub: SIPCOT - Constitution of Screening and Negotiation Committee - for negotiation and arrive at the minimum OTS amount of the SIPCOT assisted units and to fix upset price for sale of assets of the possession taken units -orders issued.

The Board of SIPCOT at its meeting held on 26.9.2018 revised the One time settlement policy including the principle, guidelines and the procedures. Accordingly, Committee with the following members has been constituted for negotiation and arrive at the OTS amount.

- 1.Managing Director - Chairman
- 2.General Manager (A&LA)
- 3.General Manager(P&D)
- 4.Chief Financial Officer
- 5.SE or SE i/c.
- 6.AGM(Legal)
- 7.AGM(Internal Audit)
- 8.AGM(Development) in case the assisted unit is an allottee of SIPCOT
- 9.AGM(F&R) - Member - Convener


The Committee shall scrutinize the OTS proposal for minimum OTS amount and will negotiate with the Borrower to arrive at the OTS amount which is to be placed before the OTS Committee and Board for approval.

The Committee also scrutinize the proposal for fixing the upset price in respect of sale of assets of the possession taken units by SIPCOT and recommend the upset price for approval of MD.

Sd/-
K.SRINIVASAN
MANAGING DIRECTOR

To
The Officers concerned
Copy to:
1.PS to MD
2.GM(A&LA)
3.GM(P&D)
4.All HOD's
5.All P.Os/P.Os i/c

/Forwarded by order/


3/h ASSISTANT GENERAL MANAGER(F&R)

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LIMITED
19-A, RUKMANI LAKSHMIPATHY ROAD, EGMORE, CHENNAI-600 008

O.O.No.34/2020

Dated: 19. 8.2020

OFFICE ORDER

Sub: SIPCOT - Reconstitution of Screening and Negotiation Committee to fix upset price for sale of mortgaged assets of the assisted units that were taken possession by SIPCOT orders issued.

Ref: O.O.No.10/2018 dt.25.10.2018

The Board of SIPCOT at its meeting held on 12.8.2020 while simplifying and streamlining the existing procedures of sale of mortgaged assets of the assisted units that were taken possession by SIPCOT reconstituted the Screening and Negotiation Committee with the following members to fix upset price for sale of assets of the possession taken units.

1. Managing Director - Chairman
2. General Manager(F)/CFO
3. Deputy General Manager(P-I)
4. Deputy General Manager(P-II)
5. Deputy General Manager(P-III)
6. Superintending Engineer

The Committee shall scrutinize the proposal for fixing the upset price in respect of sale of assets of the possession taken units by SIPCOT and recommend the upset price for approval of MD.

This office order is issued in supersession of all earlier office orders issued in this regard.

Sd/-
(J.KUMARAGURUBARAN)
MANAGING DIRECTOR

To
All the Project Officers
Copy to:
1.GM(F)
2.DGM(P-I)/P-II/P-III
3.SE
4.CT(O)
5. All HODs
6. PA to MD
7. PA to ED

/Forwarded by order/


GENERAL MANAGER(F)

7. INSTRUCTION TO TAHSILDARS

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LTD.
MADRAS

CIRCULAR

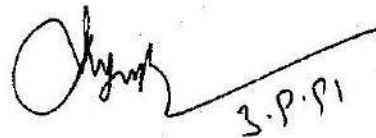
Circular No. 30/91

Dt. 3.9.1991

Sub: Recovery of dues from the assisted
companies - responsibilities
of Tahsildars - reg.

The Tahsildars (Recovery) are informed
that they should not entertain any representation
from the defaulting companies since such representations
should be addressed by the Companies direct to the
Head Office of SIPCOT.

The Tahsildars should proceed with the recovery
of overdues in disregard of ^{whatever} ~~whether~~ submissions that the
defaulters may choose to make before them.



3.9.91

CHAIRMAN & MANAGING DIRECTOR

To:

GM (F & R) i/c.

Tahsildars concerned

Copy to: P.S. to CMD

CMD's table

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED
19-A, RUKMANI LAKSHMIPATHY ROAD, EGMORE, MADRAS - 600 008.

Circular No. 47/91

Dated: 9.10.1991

CIRCULAR

Sub: Monitoring of recovery of Term Loan and
IFST Loan arrears.

.....

The following instructions are issued to ensure that the services of the Recovery Tahsildars are effectively utilised to recover arrears which are comparatively 'difficult of recovery.

2. The Chief Officers (Follow-up & Recovery) and their supporting staff will be directly responsible for monitoring of recovery in respect of cases where the payments are prompt (Category-A). The Recovery Tahsildars need not attend to such cases.

3. The Recovery Tahsildars should concentrate their attention on cases where payments are made belatedly (Category-B) and cases of units which are likely to become sick or are sick (Category-C) and also IFST Loan cases. The Chief Officers should closely monitor the performance of the Tahsildars concerned in the recovery of arrears under Categories 'B' and 'C' of Term Loan and IFST Loan. A list of Term Loan cases under Categories 'A', 'B' and 'C' and a list of IFST Loan cases are annexed.

4. All the Officers concerned including CMD will maintain for easy reference a list of Term Loan cases under Category A/B/C/D (D category is legal and SFC cases) and IFST Loan cases.

contd. 2 .

5. The Chief Officers will, on the 15th of every month, review the performance of 'A' Category cases and if there is any instance of default among them in payment of principal and/or interest, transfer the case to 'B' Category and inform all concerned, including CMD, for making changes in the list maintained by them.

Sd./

(B. VIJAYARAGHAVAN)
CHAIRMAN AND MANAGING DIRECTOR.

To

Chief Officer (F&R) Madras, Madurai & Salem Regions.

Special Tahsildars, Madurai, Madras & Salem Regions.

D.G.M. (T.L.I) and C.O. (T.L.II)

D.G.M. (SUR)

All HODs.

All Gms.

Copy to:

CMD's Table

P.S. to CMD

/ FORWARDED/BY ORDER/



GENERAL MANAGER (F&R) i/c.

LIST OF UNITS - CLASSIFICATION AS ON 30.9.91 - TERM LOAN CASES

MADRAS DISTRICT

A1 CATEGORY

01. Elcot Power Controls Limited
02. Empee Hotels Pvt. Limited
03. Hotel Himalaya
04. SIDCO

A2 CATEGORY

05. Vestures (India) Limited

B CATEGORY

06. Breeze Hotel
07. Kody Elcot Limited
08. Meena Advertisers
09. Vastra Apparels (P) Limited

C CATEGORY - NIL

CHENGAI MGR DISTRICT

A1 CATEGORY

10. A.N.S. Oxygen
11. Autolec Industries
12. ELCOT
13. Kumaragiri Electronics Limited
14. Light Roofings Limited
15. Sri Seetha Venkatesa Mills Limited
16. Tamilnadu Steel Tubes Limited

A2 CATEGORY

17. Audio Electronic Co. Pvt. Limited
18. Cholan Paper & Board Mills Limited
19. Ergodyne Pvt. Limited
20. Indrad Auto Components Limited
21. Rajalakshmi Chemicals Pvt. Limited
22. Vijay Energy Products

-
- Note :
- A1 CATEGORY : Units paying promptly within original schedule
 - A2 CATEGORY : Rescheduled units paying promptly after reschedulement
 - B CATEGORY : Defaulting units
 - C CATEGORY : Sick and Incipiently sick units
 - D CATEGORY : Legal & SFC Cases

B CATEGORY

23. Annai Mookambigai Roller Flour Mills P. Ltd
24. Austral Plastics Pvt. Limited
25. Axial & Radial Fans P. Limited
26. Bharadwaj Electro Components Limited
27. Continental Coatings P. Limited
28. Contronix Pvt. Limited
29. Dezurik (India) Limited
30. Digital Data Forms Pvt. Limited
31. Globe Rexine Pvt. Limited
32. Infotech Limited
33. Kumaragiri Steels Limited
34. Nortan Intec Rubber Co. Limited
35. Nuage Packing Pvt. Limited
36. Peacock Polymers Pvt. Limited
37. Raslee Granite Pvt. Limited
38. Risinous Oil & Chemicals P. Limited
39. R.K.K.R. Steels Limited
40. Shripet Industries Pvt. Limited
41. S.P. Oil Mills Pvt. Limited
42. Superfil Products Pvt. Limited
43. Suryodaya Plastics Pvt. Limited
44. Sukra Diamond Tools Limited
45. Venkateswara Cylinders Pvt. Limited
46. VRW Industries Limited

C CATEGORY

47. Acetylene & Industrial Gas Cylinders Ltd
48. Asmarox Pvt. Limited
49. Excel Offset Pvt. Limited
50. Glossy Pack Pvt. Limited
51. Dee Cee Bottlers
52. Kanchi Moulded Packaging Pvt. Limited
53. Magnatherm Alloys Pvt. Limited
54. Madras Magnetic Media Limited
55. Madras Elastomers Limited
56. Southern Pneumatic Rockdrill Co. P. Ltd
57. T.N. Graduate Fishermen Fishnets P. Ltd
58. Tekform Engineering Pvt. Limited
59. Uniorganic Industries Limited

NORTH ARCOT DISTRICT

A1 CATEGORY

- 60. M.A. Kizar Hussain & Sons
- 61. Ramco Super Leathers

A2 CATEGORY

- 62. Kamar Chemicals & Industries Limited.
- 63. Secala Limited

B CATEGORY

- 64. Apollo Tubes Limited
- 65. Samco Metals & Alloys Limited
- 66. Senthur Shoes Pvt. Limited

C CATEGORY

- 67. Kartik Steels Limited

SOUTH ARCOT DISTRICT

A1 CATEGORY - NIL

A2 CATEGORY

- 68. Jeevan Solvent Extractions Co. Ltd

B CATEGORY

- 69. Coromandel Poly Bags Pvt. Limited
- 70. Maruti Synthetics & Pharmaceuticals P. Ltd

C CATEGORY

- 71. Clinfield (India) Pvt. Limited

DHARMAPURI DISTRICT

A1 CATEGORY

- 72. Electro Alloy Special Steel
- 73. Kumaragiri Textiles Limited

A2 CATEGORY

- 74. Elforge Limited
- 75. Ideal Spinning Mills Limited
- 76. Pan Electronics Limited

B CATEGORY

77. Devi Spinning Mills Limited
78. Dharmadeep Properzi
79. Dharmapuri Paper Mills
80. Ditamir Hycon Limited
81. Hi-Q Electronics
82. Maestro Enviro Systems
83. Sivananda Pipe Fittings
84. Muruganathan Mills Limited
85. Tools International Limited.
86. Vivek Alloys Limited

C CATEGORY

87. Conveyor Systems Limited

SALEM DISTRICT

A1 CATEGORY

88. Kandagiri Spinning Mills Limited
89. Mettur Spinning Mills Limited
90. Pallipalayam Spinners Limited
91. Rasipuram Textiles Limited
92. Sambandam Spinning Mills
93. Sampurna Laxmi Spinning Mills
94. Sengunthar Mills Limited
95. S.P. Spg. Mills Limited

A2 CATEGORY - NIL

B CATEGORY

96. Hotel Kalinga International Limited
97. Jambai KNM Textiles Limited
98. Salem Textiles Limited
99. Sri Balaji Refineries P. Limited

C CATEGORY

100. Amman Solvent Extractions
101. Salem Oxygen Pvt. Limited
102. Tamilnadu Starch & Glucose Co.

COIMBATORE DISTRICT

A1 CATEGORY

- 103. CPC Limited
- 104. G.V.G Paper Mills
- 105. Palani Andavar Mills Limited
- 106. Premier Texturisers
- 107. Punitha Roller Flour Mills
- 108. Rajshree Textiles P. Limited
- 109. Sangeetha Textiles Limited
- 110. Selvaraja Spinning Mills
- 111. Textool Limited

A2 CATEGORY - NIL

B CATEGORY

- 112. Gee Dee Weiler P. Limited
- 113. G.K. Alloys
- 114. G.K. Steels
- 115. Hotel Prema & Co
- 116. Hotel Sri Thevvar
- 117. Madras Oxygen & Acetylene
- 118. Salzer Electronics
- 119. Udhaya Semiconductors

C CATEGORY

- 120. Rolab Polymers Pvt. Limited
- 121. Venkat Threads Pvt. Limited

PERIYAR DISTRICT

A1 CATEGORY

- 122. Manjula Textile Processors
- 123. Shanmugaraja Spinning Mills
- 124. Subbathal Spinning Mills

A2 CATEGORY

- 125. Crystal Knit Processors
- 126. Sri Bhavani Textile Processors

B CATEGORY

- 127. Hotel Goodshepherd
- 128. R.N. Polysacks
- 129. T.A.V & Company

C CATEGORY - NIL

TRICHY DISTRICT

A1 CATEGORY

130. Sree Uma Parameswari Mills Limited

A2 CATEGORY

131. Trichy Flour Mills Pvt. Limited

B CATEGORY

132. A.K.M.N Cylinders P. Limited

133. Dharani Cements Limited

134. Hotel Femina

135. Kavery Engineering Industries Ltd

136. Ramya Hotels

137. Rajali Hotel

138. Sangu Chakra Hotel

139. Sree Sabari Mills

140. Hotel Sevana

C CATEGORY - NIL

MADURAI DISTRICT

A1 CATEGORY

141. Bojaraj Spinning Mills Limited

142. Kothari Plantations

143. Mangayarkarasi Mills P. Ltd

144. Pethanakshi Mills

145. Sitalakshmi Mills

146. Varadhalakshmi Mills Limited

A2 CATEGORY

147. Aruna Machine Tools P. Limited

148. Kalyan Oxygen P. Limited

149. Sree Renuga Textiles

B CATEGORY

150. Falcons Beverages (India) P. Ltd

151. L.S. Mills P. Limited

C CATEGORY - NIL

ANNA DISTRICT

A1 CATEGORY

- 152. Annamalaiar Textile Mills
- 153. Bhuvaneswari Spinning Mills
- 154. Chola Textiles P. Limited
- 155. Dhanalakshmi Paper Mills
- 156. Futura Industries Limited
- 157. Nagalakshmi Flour Mills
- 158. Sivaraj Spinning Mills
- 159. Servall Engineering Industries
- 160. Viswabharathi Textiles

A2 CATEGORY

- 161. Khader Spinners Limited

B CATEGORY

- 162. Alagiri Spg. & Wvg. Mills
- 163. Hotel Subam
- 164. Sri Mookambiga Spinning Mills
- 165. Sri Suryanarayana Paper & Boards

C CATEGORY

- 166. Kumar Malleables Pvt. Limited

TANJORE DISTRICT

A1 CATEGORY - NIL

A2 CATEGORY - NIL

B CATEGORY

- 167. Chola Chemicals Limited
- 168. Hotel Parisutham
- 169. Ramraj Agro Mills

C CATEGORY - NIL

TIRUNELVELI DISTRICT

A1 CATEGORY

- 170. KLRF Limited
- 171. Seyad Cotton Mills

A2 CATEGORY

- 172. Tamilnadu Textile Corporation Ltd

B CATEGORY

- 173. The Bharathi Co-op. Spinning Mills
- 174. Janakiram Hotels

C CATEGORY - NIL

CHIDAMBARANAR DISTRICT

A1 CATEGORY

- 175. Tuticorin Spinning Mills Ltd
- 176. G.Das & Co.

A2 CATEGORY - NIL

B CATEGORY - NIL

C CATEGORY - NIL

RAMNAD DISTRICT

A1 CATEGORY

- 177. Ayyappan Textiles Limited

A2 CATEGORY - NIL

B CATEGORY

- 178. Pandiyan Fisheries Pvt. Limited

C CATEGORY - NIL

PUDUKKOTTAI DISTRICT

A1 CATEGORY

- 179. Srivatsa Electric & Electronics

A2 CATEGORY

- 180. Tamilnadu Agro Industries
- 181. Srivatsa Paioli Limited

B CATEGORY

- 182. Livia Polymer Bottles
- 183. Nataraj Bags & Systems
- 184. Subhadra Alloys P. Limited
- 185. Sun Polysacks Pvt. Limited
- 186. Sri Nadiambal Textiles

DRAFT FOR APPROVAL

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LTD.
19-A, RUKMANI LAKSHMIPATHY ROAD EGMORE MADRAS: 8.

O.O.NO 26/91

DATED; 11.11.1991

OFFICE ORDER

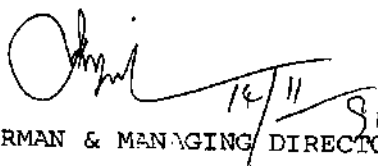
Sub: Monitoring of the recovery performance
of Tahsildars- Fortnightly diaries

....

The Recovery Tahsildars should henceforth submit fortnightly diaries to me by name. This is necessary to have an idea of the actual work done by them to collect the arrears from B and C Units since most of the collections now received are seen to be in response to the efforts taken at the Head Office level.

The diary should consist of details such as companies visited, amounts collected, reasons for delayed collections, action recommended at Head Office level etc.,

The diary for the first fortnight of the month should reach me on the 18th of the same month and the diary for the second fortnight on the 3rd of the succeeding month.


CHAIRMAN & MANAGING DIRECTOR.

To

All Tahsildars/ X
Revenue Inspectors X By name
 X

Copy to: G.M.(PF)
 G.M. (F&R) I/C
 A.G.Ms(F&R) Madras/ Madurai/Salem
 D.G.M.(TL- I)
 A.G.M. (TL.II)
 A.G.M.(A)
 CMD's Table.
 P.S to CMD.

8. GENERAL

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED

19-A, Rukmani Lakshimipathy Road, Egmore, Chennai-600 008.

No.10/91

Issued Date: 02.05. 1991

Re-issued

Date: 11.02.2021

CIRCULAR

Sub: Delegation of Powers – appointment/change/
withdrawal of Nominee Directors – Orders – Issued.

In respect of appointment / change / withdrawal of Nominee Directors for our assisted units, the Committee of General Managers (P.F., P&D & Admn.) is delegated with powers to appoint / change / withdraw our Nominee Directors.

This is for information.

(This circular is re-issued).

Sd/- xxx
CHAIRMAN & MANAGING DIRECTOR

To

All General Managers
All Heads of Department.

//FORWARDED BY ORDER//

MANAGING DIRECTOR

4/2/21

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED

19-A, Rukmani Lakshimipathy Road, Egmore, Chennai-600 008.

No.33/91

Issued Date: 09.09.1991

Re-issued

Date: 11.02.2021

CIRCULAR

Sub: Settlement of overdue and outstanding balance of accounts by assisted units – Common policy between SIPCOT & TIIC

The Board at its meeting held on 28.08.1991 approved the common policy to be adopted by both SIPCOT & TIIC in regard to waiver of penal interest, interest on interest, funding of interest, incentive for prompt payment etc., for the assisted units as detailed below:-

1. Charging of penal interest:

The existing policy of charging 5% penal interest on the defaulted amount for the defaulted period will continue.

2. Normal procedure of waiver:

i. Full settlement of term loan:

The waiver of penal and compound interest will be restricted to the extent of loan outstanding.

ii. Change of management cases:

Waiver of penal/and compound interest will be considered.

iii. BIFR cases:

Penal interest will be waived, Compound interest will also be waived depending upon BIFR recommendations.

iv. RSR Cases:

Waiver of penal interest will be considered along with other reliefs.

v. Delayed payment:

In genuine and unforeseen circumstances, the existing practice of waiving the penal interest upto Rs.10,000/- by the Chief Executive, SIPCOT and upto Rs.5,000/- by the Chief Executive, TIIC will continue.

3. One time settlement in respect of sick/unviable units:

The two institutions presently consider waiver of penal interest, interest on interest and also the reduction in the rate of interest for one time settlement in respect of sick/non-viable units. The same benefit will be extended to the following categories.

- i. Cases which are sick as per the definition of BIFR and RSR of IDBI/SIDBI.
- ii. Failure of technology/obsolete technology.
- iii. Change in external factors, like market forces, import-export policy and other relevant Government Policies.

4. Abandoned Projects/Defunct Cases: (Rare cases)

As the realization of the principal amount itself may be difficult, the institution will consider waiving of penal interest and interest on interest and also part or full simple interest depending on the merit of the case for one time settlement.

5. Rescheduling and funding of interest:

The following practice which is what exists at present will continue:

- i. Interest free funding of interest overdues will not be considered except in special cases to be decided by the Board.
- ii. Additional rate of interest of 2.5% (SIPCOT) and 2% (TIIC) will apply for rescheduled amount exceeding the terminal date.
- iii. Reschedulement at document rate of interest will be given for the following cases:
 - Units having cash losses for two consecutive years.
 - Unit's net worth is negative;
 - Units under rehabilitation scheme;
 - Rescheduled period is within the terminal date.
- iv. Funded interest will carry document rate of interest.
- v. In RSR and BIFR cases the rate of interest is normally charged @ 10% (6% in special cases suggested by BIFR) on the funded interest .

6. Settlement of overdues (arrears of principal and interest excluding penal interest):

i) Waiver of penal interest will be considered for settlement of overdue portion provided the loan was not rescheduled.

ii) For rescheduled loan cases, settlement of over dues except penal interest will be considered on merits.

7. Incentive for prompt payment:

1% rebate will be given on document rate of interest for no default cases.

(This circular is re-issued).

Sd/- xxx
CHAIRMAN & MANAGING DIRECTOR

To

All General Managers
All Deputy General Managers &
All Chief Officers
Secretarial Department

Copy to:
PS to CMD

//FORWARDED BY ORDER//

MANAGING DIRECTOR

16/22

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LIMITED
19-A, Rukmani Lakshmipathy Road, Madras-8.

Circular No.34/91.

Dated: 9-9-1991.

C I R C U L A R

Sub:- Enhancement of Investigation Fees.

The Board at its meeting held on 28-8-1991 has decided that the enhancement of investigation fees ordered by the Board with effect from 10-1-1991 will not be applicable to cases where the applications together with the investigation fees had been received prior to 10-1-1991.

2. The Board has further decided that in respect of project proposals from seed capital technocrats and economically weaker sections, the concession of charging only 50% of investigation fee as decided in the meeting of the Board held on 29-2-1984 be withdrawn and they be charged at full rate. This will take effect from 28-8-1991 in respect of applications where the investigation fees at the concessional rate has not been collected as on 28-8-1991.

Sd/- B. VIJAYARAGHAVAN
CHAIRMAN & MANAGING DIRECTOR.

To
All General Managers.
All Deputy General Managers.
All Chief Officers.
Secretarial Department.
Copy to: PS to CMD.

//FORWARDED/BY ORDER//


GENERAL MANAGER (PF).

DRAFT

Cir. No. 44/91

Dt. 8.10.91.

CIRCULAR

Sub: Settlement of overdue and outstanding
balance of accounts by assisted units - C
Common Policy between SIPCOT & TIIC.

-X-X-

Ref: Cir.No.33/91 dt.9.9.1991

-X-X-

The paragraph 6(ii) in the Circular cited
will stand modified as under:

As per the Circular dt.9.9.91

"For rescheduled loan cases,
settlement of overdues except
penal interest will be
considered on merits."

Modified at the Board Meeting
held on 25.9.1991

"Waiver of penal interest may
be considered on merits for
settlement of overdue
portion in respect of
cases rescheduled."

[Handwritten signature]

B.VIJAYARAGHAVAN
CHAIRMAN & MANAGING DIRECTOR.

To

All General Managers

All Deputy General Managers

All Chief Officers

P.S.
7.10.91

[Handwritten initials and signature]

Copy to: PS to CMD

Secretarial Department

ps/ar

[Handwritten note: Cancelled 11/10/91]

Draft I

Original copy is
with DEM & C.S.

97

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED.

19-A RUKMANI LAKSHMIPATHY ROAD EGMORE MADRAS: 8.

CIRCULAR NO. 45 / 91

DATE: 9.10.91
9.10.1991

CIRCULAR

Sub: NOMINEE DIRECTORS ON THE BOARDS ^{OF} SIPCOT'S
ASSISTED UNITS- APPOINTMENT ~~OF~~ AND RELATED MATTERS.

....

The policy and procedure governing the appointment/
change/withdrawal of Nominee Directors on the
Boards of the units assisted by the Corporation will be as
follows:-

1. Nominee Directors need not be appointed as a matter of routine in all the assisted units. A Nominee Director will not ordinarily be necessary if the unit is well run and is prompt in paying its dues.
2. The appointment of a Nominee Director will be considered in the following categories of cases:-
 - a. All cases where the loan principal is overdue for more than six months or interest is outstanding for more than two years, whichever is earlier.
 - b. All cases coming under RSR/BIFR Schemes.
 - c. Seed Capital cases.
 - d. Cases requiring close monitoring for any reason.
 - e. Any other cases where special reasons exist.
3. In respect of units jointly financed by TIIC and SIPCOT and where TIIC is the lead institute and has a Nominee, ^{SIPCOT} need not ordinarily consider appointment of a Nominee. But a Nominee Director can be considered for appointment in such cases also for special reasons.
4. Orders of the Managing Director shall be obtained on proposals regarding the appointment ^{and/or withdrawal} of Nominee Directors.



5. The Nominee will be withdrawn where foreclosure notice has been issued and it has been decided to give effect to the foreclosure notice.

6. Officials of the Corporation at the Deputy Manager level working in Project Finance and Planning and Development Department (excluding the Public Relation Officer) will be considered for appointment as Nominee Director in respect of units with project cost upto Rs.250 lakhs. In respect of units exceeding this limit and also all units which are problem cases, the Senior Officers at the level of CO/DGM/GM (excluding GM (Admn) and CO (Accounts)) will alone be considered for nomination.

7. No person will be nominated by the Corporation to more than five units.

8. The tenure of Nominee Directors will be for a maximum period of three years in any particular unit.

9. Senior Technical and Financial Officers of Financial Institutions, Public Sector Undertakings and other knowledgeable and experienced persons such as Chartered Accountants, Cost Accountants, Advocates with experience in company affairs, persons specialising in industry, retired Officers from the Government/ Government Undertakings/Financial Institutions or other comparable institutions with many years of administrative experience are some of the categories of persons who will be considered for appointment of Non-official Nominee Directors.

10. The Corporation will withdraw the Nominee on reaching the age of 65 years. The upper age limit for appointment of Non-officials will be 63 years so that he can serve ^{for} at least two years before he is withdrawn. *at*

11. The Corporation expects the Non-official to be on the Boards of not more than ten companies at a time so that he is in a position to devote adequate time to the companies where he is appointed as Nominee Director. He should inform the Corporation immediately of any change in the Directorships held by him.

Dr. II

Original copy
is with 10/
DEPT (F&R)

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LIMITED,
MADRAS-8.

Circular No. 46/91

Dated: 9-9-1991.

CIRCULAR

Sub: Instructions to Nominee Directors (Official and non-official) on the Boards of SIPCOT's assisted units.

The attention of the Nominee Directors (Official and non-official) on the Boards of SIPCOT's assisted units is invited to ~~the instructions and~~ Circular No. 45, 91 dated 9.14.91 governing ~~the~~ matters relating to their appointment. The following instructions are now issued in regard to ~~the~~ ^{their} responsibilities:

1. The Nominee Directors ^{are} expected to attend the meetings of the Board of ~~the~~ assisted unit without fail. Where an official Nominee is unable to attend a Board Meeting for any reason, he should take the prior permission of the Managing Director of SIPCOT. Where a non-official Nominee is unable to attend a Board Meeting for any reason, he should keep ^{Managing Director of the} the Corporation informed immediately. If a non-official nominee fails to attend Board Meetings of any company on three consecutive occasions his nomination ^{will} ~~should~~ be withdrawn.

on a total of
five occasions
during his
tenure,

2. The Nominee Director should say all that is necessary at the Board Meeting to protect the interests of SIPCOT and insist on his views being placed on record wherever necessary.

..2..

3. Decisions of Board Meetings are generally taken by consensus and not by count of votes. But if occasion arises, he will insist on the issue being put to-vote, and, if he is in a minority in the count of votes, he should see that it is recorded that he voted against the resolution.

4. He should ensure that all important developments relating to the functioning of the company are brought to the notice of the Board and, in turn, the same reported to SIPCOT.

5. If there is any issue included in the Agenda of the Board Meeting on which he would like to have the views of SIPCOT, he should address the Managing Director forthwith demi-officially and obtain the remarks of SIPCOT. If time does not permit this, he should contact the Managing Director in person or on the telephone or if the ~~Chairman~~ and Managing Director is not available, General Manager(Follow-up & Recovery)

6. In order to protect him from the consequences of the company not observing the statutory requirements, the Management should be asked to furnish a Certificate at every Board Meeting that all statutory requirements have been complied with and this should be recorded at the Meeting.

7. He should insist upon the Management placing for the consideration of the Board a report on the working of the assisted project at least once in three months.

8. He must obtain the latest dues position from SIPCOT before the Board Meeting and highlight the defaults in payments at the time of the Meeting.

7

9. Under Clause 26 of the Terms and conditions governing the assistance sanctioned by SIPCOT, if any other Co-financing institution imposes any restrictive conditions on the Company, SIPCOT, if considered necessary, has the right to make it apply also to the assistance granted by it. Therefore, if the Nominee Director comes to know of any condition imposed by a Co-financing institution which is not specifically included in the terms of assistance stipulated by SIPCOT, he should bring it to the notice of SIPCOT for consideration whether the same should be adopted by SIPCOT also.

10. It should be noted that under Clause 12 of the Terms and Conditions, any sale proceeds of replaced machinery shall be paid to SIPCOT and other participating institutions/banks. The Nominee Director should insist on this and bring any case of violation to the prompt notice of SIPCOT.

11. The Nominee Director should ensure that in the following matters the Company obtains the prior approval of SIPCOT in accordance with the terms and conditions of the term loan (The relevant condition is indicated in brackets)

- (i) The appointment/re-appointment of Managing Director(s) or full time Director(s) as also their remuneration and other terms of appointment (Clause 11)
- (ii) Investment in or advance to other concerns whether it is in the nature of shares, debentures, or loans (Loans in this context would mean loan for a period of three months and beyond). This does not apply to investment in Central Government and State Government

Securities and other Bonds and debentures which carry the guarantee of the Government of Tamilnadu (Clause 15)

- (iii) Any scheme of expansion/diversification/modernisation or change of location of the project (Clause 16(b))
- (iv) Acquisition of any additional assets not envisaged in the scheme (Clause ¹⁶~~15~~ (c))
- (v) Declaration of dividends at more than 15% per annum (Clause 21).
- (vi) Declaration of any dividends in respect of the accounting year in which it ~~fails to~~ *fails to* meet its obligation to pay interest and/or instalment(s) falling due for payment to SIPCOT. (Clause 21).
- (vii) Any change in the constitution of the Board of Directors of the Company (Clause 32).
- ~~(viii)~~ Raising of any term loan, secured or otherwise, from any other institution/ Banks (Clause 34)
- (ix) Any amendment of the Memorandum and Articles of Association (Clause 39)
- (x) Any transfer of shares held by the promoters and directors (Clause 40)
- (xi) Any purchase/Sales agreement or arrangements with associate concerns of the promoter/directors of the Company (Clause 41)

..5..

(xii) Any investments or diversion of funds of the Company to any associate concern in which any of the Directors is directly or indirectly interested or concerned (Condition stipulated by TIIC applicable to SIPCOT-assisted case under Clause 26).

(xiii) Any drawal by any Director to which he is not lawfully entitled (condition stipulated by TIIC applicable to SIPCOT-assisted case under clause 26).

12. The Official Nominee Director^{him} should, during ~~their~~ visits to the Corporate Offices of the Company to attend Board Meetings, obtain draft/cheque drawn in favour of SIPCOT towards the outstanding dues and pass them on to the concerned officers of SIPCOT immediately.

13. Sections 27, 32(A), and 41(A) of the State Financial Corporations Act, 1951 gives certain protections to the Nominee Directors and these are applicable to SIPCOT. An extract of the relevant Sections is enclosed.

14. Amounts payable to Official Nominees by the assisted companies towards sitting fees, additional income in the nature of bonus, commission, profit or any other remuneration in any form will accrue to the Corporation and accordingly will be payable by the Official to the Corporation. The Official Nominee Director will pass on these amounts to the Corporation. The assisted companies are required to reimburse to the Corporation, the travelling and halting allowances and other incidental expenses incurred by the Official Nominee at rates applicable to the Directors of the company or at the rates to which the Nominee is entitled as per Corporation rules whichever is higher and subject to actuals.

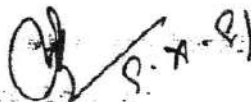
..6..

15. Non-Official Nominees can retain with them the sitting fees, travelling and other incidental expenses received from the assisted company. But any commission or other kinds of remuneration paid to the Non-official Nominee Directors by the assisted company will be passed on to the Corporation.

16. Within a week of attending the Board Meeting, the Nominee Director shall furnish a report to the Managing Director of the Corporation in the form ⁱⁿ ~~annexed~~ ^{with}. If a Non-official Nominee fails to submit the report on more than five occasions during his tenure, his nomination shall be withdrawn.

17. On receipt of the report, Secretarial expenses at the rate of Rs.50/- (Rupees fifty only) will be paid to the Non-official Nominee Director for each Board Meeting attended by him. ~~The Non-official Nominee Director will make his claim along with his report.~~ ^{He should} ~~in the form annexed~~ ^{in annexure II}

18. The Corporation will maintain Nominee-wise files for reviewing the work of the nominees from time to time.

 S. A. P.

CHAIRMAN & MANAGING DIRECTOR.

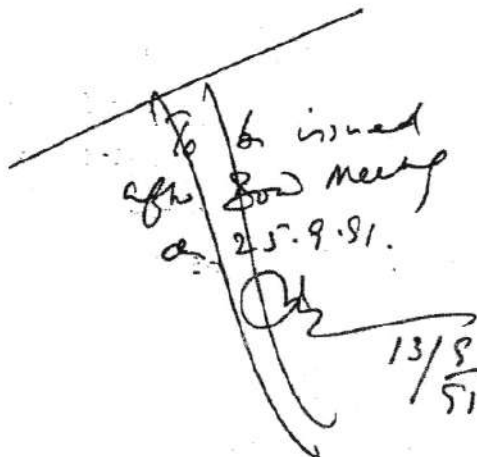
Encl: 1. Extracts from SFC Act.
2. Two proforma.

To:

All Units assisted by SIPCOT.
All Nominee Directors of SIPCOT.
All Officers in SIPCOT.

Copy to:

CMD's Table.
PS to CMD.


6 issued
after 800 meeting
25.9.81.
13/8
51

ANNEXURE

STATE FINANCIAL CORPORATION ACT 1951

SECTION 27: Power to impose conditions for
 accommodation,

1. In entering into any arrangement under Section 25 with an industrial concern, the Financial Corporation may impose such conditions as it may think necessary or expedient for protecting the interests of the Financial Corporation and securing that the accommodation granted by it is put to the best use by the industrial concern.

2. Where any arrangement entered into by the Financial Corporation with an industrial concern provides for the appointment by the Financial Corporation of one or more directors of such industrial concern such provision and any appointment of Directors made in pursuance thereof shall be valid and effective not withstanding anything to the contrary contained in the Companies Act, 1956, or in any other law for the time being in force or in the memorandum, articles of association or any other instrument relating to the industrial concern, and any provision regarding share qualification, age limit, number of directorships removal of office of directors and such like conditions contained in any such law or instrument aforesaid shall not apply to any director appointed by the Financial Corporation in pursuance of arrangement as aforesaid.

3. Any director appointed in pursuance of sub-section (2) shall

- a) hold office during the pleasure of the Financial Corporation and may be removed or substituted by any person by order in writing by the Financial Corporation;
- b) Not incur any obligation or liability by reason only of his being a director or for anything done or omitted to be done in good faith in the discharge of his duties as a director or anything in relation thereto;

c) not be liable to retirement by rotation and shall not be taken into account for computing the number of director liable to such retirement.

SECTION 32A: Power of Financial Corporation to appoint directors or administrators of an industrial concern when management is taken over.

(1) When the management of an industrial concern is taken over by the Financial Corporation, the Financial Corporation may by order notified in the official Gazettee appoint as many persons as it thinks fit;-

a) in any case in which the industrial concern is a company as defined in the Companies Act, 1956, to be directors of that industrial concern; or
b) in any other case, to be administrators of that industrial concern.

(2) The power to appoint directors or administrators under this section includes the power to appoint any individual, firm or company to be the managing agent or manager of the industrial concern on usuch terms and conditions as the Financial Corporation may think fit.

(3) Nothing in the Companies Act 1956, or in any other law for the time being in force or in any instrument relating to the industrial concern shall, in so far as it makes in relation to a director, any provision for the holding of any share, qualification, age limit, restriction on the number of directorships, retirement by rotation or removal from office, apply to any director appointed by the Financial Corporation under this Section.

SECTION 41A: Protection of action taken by persons appointed under Section 27 or Section 32A.

No suit, prosecution or other legal proceeding shall lie against any person appointed as director, administrator, managing agent or manager by the Financial Corporation in pursuance of Section 27 or Section 32A for anything which is in good faith done or intended to be done by him as such director, administrator, managing agent or manager.

/COPY/

Answer
to Dgr II

Answer T 109
643

~~ANNEXURE I~~

REPORT OF THE NOMINEE DIRECTOR - THIRU

1. Name and address of the Company ..
a. Factory ..
b. Regd. Office ..
2. Date of the Board Meeting ..
3. Directors who are not attending/~~participating~~ continuously in the Board Meeting.
4. The comments on the Agenda of the Board Meeting as circulated by the company highlighting the important decisions taken by the Board.

5. Dues position (Rs. in lakhs) (as on)

Name of the Institution	Dt. of Sanction	Amt. Sancd.	Amount Disbd.	Term Loan		O/S Overdues	Other dues
				Amount	Prl. Int.		
a. SIPCOT							
b. TIIC							
c. Bank							
d. Other Institutions							

6. Position regarding overdues if any, in case of overdues, efforts taken by the Nominee Director to recover the dues may be indicated.
7. Working capital details along with the limits availed, adequate or inadequate with reasons.

..2/-

8. Statistical information:-

Last three months		
(1)	(2)	(3)
a. Production		
b. Sales turnover		
c. Cash generation - Rs. in lakhs.		

9. Items on which the Nominee Director would like SIPCOT to take follow-up action. (Any information that is prejudicial to the interests of SIPCOT and that comes to the knowledge of the Nominee Director either at the meeting or otherwise should be furnished here).

PLACE :

SIGNATURE.

DATED :

*Annexure -
to Part II*

ANNEXURE - II

FORM FOR CLAIMING REIMBURSEMENT
OF SECRETARIAL EXPENSES.

Name and address of the
Nominee Director :

Date of Nomination by *SIPCOT*
~~STATE INDUSTRIES PROMOTION~~
~~CORPORATION OF TAMILNADU~~
~~LIMITED~~ :

Name of the
Company

Date of
Board
Meeting

Date on which the report
on the proceedings of the
Board Meeting was sent to
~~STATE INDUSTRIES PROMOTION~~
~~CORPORATION OF TAMILNADU~~
~~LIMITED~~ *SIPCOT*

Signature of Nominee Director

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LIMITED,
19-A, RUKMANI LAKSHMIPATHY ROAD, EGMORE, MADRAS-600 008.

No.49/91

dated: 11-10-91

C I R C U L A R

Sub: Adjustment of Remittance
made by the Assisted Units.

....

The remittances made by the assisted units
towards dues will be adjusted strictly in the following order
of priority:-

- i) Firstly, towards commitment charges.
- ii) Secondly, towards cost, charges, expenses and
other monies (items generally classified as
other dues).
- iii) Thirdly, towards arrears of interest.
- iv) Lastly, towards repayment of instalments of
principal due and payable towards the loan.

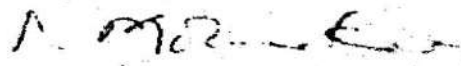
The same order of priority will be followed
also in the case of adjustment of dues out of the disbursement of
term loan and incentives.

Sd/-
CHAIRMAN & MANAGING DIRECTOR.

To
All Officers in Project Finance
and Accounts Departments.

Copy to: All Assisted Units.

- " P.S. to C.M.D.
- " C.M.D.'s Table.


GENERAL MANAGER (RF).

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED,
19-A, RUKMANI LAKSHMI PATHY ROAD, EGMORE, MADRAS-600 008

No. 62/91

CIRCULAR

29.
DATED: 29.11.1991

Sub: GUIDE-LINES ON HOTEL PROJECTS

The Board at its Meeting held on 20.3.1991 decided to extend financial assistance to Hotel Projects on a selective basis. ~~Subsequently~~ At the Meeting held on 20.11.1991, the Board has approved the following guide-lines for appraising Hotel Projects in future.

- 1) Only proposals for setting up of Hotels in urban areas of business importance ^{or} places of tourist importance having a population of five lakhs ^{and} ~~or~~ above shall be considered. Exceptions can be made in respect of ^{Hotels} ~~proposals~~ planned near industrial complexes.
- 2) A market survey may be insisted on wherever necessary to ascertain the potential for the various types of facilities ~~provided in the~~ ^{proposed in the} Hotel.
- 3) A Debt Equity Ratio of 1.50:1.00 shall be adopted for new Hotel Projects as applicable to other conventional industries like Textile, Solvent Extraction etc.,
- 4) A minimum ^{Security} 25% margin on the fixed assets shall be adopted for new Hotel proposals and a minimum 50% ^{will} ~~may~~ be adopted for expansion and renovation of the existing projects.

- 5) Collateral security may be insisted on wherever necessary. In case of lease-hold land, collateral security shall be mandatory.
- 6) The promoters should bring in not less than 50% of the contribution before the first disbursement.
- 7) Personnel, qualified and trained in the field of hotel management and financial management should be employed even before disbursement of the term loan.
- 8) Proposals received from established hotels having a good track record may be entertained on merits for expansion/renovation/upgradation.

[Signature] 28/11/81

CHAIRMAN & MANAGING DIRECTOR

To

All GMs/ DGMs/AGMs and
All Officers in Term Loan I & II Depts.

copy to:

CMD's Table

PS to CMD

[Signature]
29/11/91

[Signature]
29/11/91

[Signature]
29/11/91

[Signature]
29/11/91

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED
19-A, Rukmani Lakshimipathy Road, Egmore, Chennai-600 008.

CIRCULAR

No.64/91

Issued Date: 30.11. 1991

Re-issued

Date: 11.02.2021

Sub: Settlement of overdue and outstanding balance of accounts by assisted units – Guidelines for concessions to units making full settlement of overdues and outstandings – reg.

- Ref: 1. This office circular, No.33/91 dated 09.09.1991
2. This office circular No.44/91 dated 08.10.1991
3. Item No.23 of the Board minutes (244) dated 20.11.1991.

The paragraph 6 (ii) in the Circular cited will stand modified as under:

Existing – As per Board Meeting held on 25.09.1991	As amended by Board on 20.11.1991
"Waiver of penal interest may be considered on merits for settlement of overdue portion in respect of cases rescheduled."	<p>In case of settlement of overdues (arrear of principal and interest excluding penal interest)</p> <p>(i) for foreclosed cases also, waiver of penal interest may be considered on merits for one time settlement of overdue portion and orders of the Board obtained if any waiver is prepared to be given.</p> <p>(ii) Waiver of penal interest will be permissible notwithstanding any earlier adjustment of penal interest and if the case is otherwise fit for such waiver.</p> <p>(iii) No general policy is necessary on waiver of interest on interest and each case may be decided by the Management on merits subject to the approval of the Board if any waiver is proposed to be given.</p>

(This circular is re-issued).

Sd/- xxx
CHAIRMAN & MANAGING DIRECTOR

To

All General Managers
All Deputy General Managers &
All Assistant General Managers

Copy to:
PS to CMD
CMD's Table
Secretarial Department

//FORWARDED BY ORDER//


MANAGING DIRECTOR

6/2 ✓

DRAFT FOR APPROVAL

CIRCULAR

No. 8/92.

Dt: 31.1.92

Sub: Study on Foundry projects assisted
by SIPCOT - Reg.

In the recent past, we had granted financial
assistance to ^a number of Foundry Units. ^{Many of} Majority

^{have not performed well}
of the units ~~failed miserably~~ due to mis-management,

heavy competition in the field, power shortage,

growing stringency in specification and acceptance

standards, delayed realisation from customers,

lack of adequate quality control facilities, etc.

Hence ^{the} ~~our~~ Board at its meeting held on 22nd

January, 1992 has taken a decision to defer fresh

^{to new foundry projects}
sanction for a period of two years. However assistance
could be considered for modernisation / expansion / diversification
of existing units whose track record has been satisfactory
and where working capital finance is assured by the Banks

B. VIJAYARAGHAVAN

CHAIRMAN AND MANAGING DIRECTOR.

To

All GIMS

All the Officers in
PF Department)

All HOD's

CMD Table

DGM(TL.I)

GM(F&R)

GM(RF)

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED
19-A, Rukmani Lakshimipathy Road, Egmore, Chennai-600 008.

CIRCULAR

No.10/92

Issued Date: 04.02. 1992

Re-issued

Date: 11.02.2021

Sub: Levy of fee for Consultancy Report commissioned by
SIPCOT as part of project appraisal process.

When in the course of appraisal of the term loan application, it is found necessary by SIPCOT to commission an outside consultancy agency, the Consultancy Fee therefore will be borne by SIPCOT and debited to the total investigation fees collection account of term loan applications.

If on the basis of such Consultancy Report, term loan is sanctioned and the entrepreneur desires to have a copy of the report, it will be made available to him after collecting full cost of the consultancy subject to the condition that SIPCOT will retain the right to use the Consultancy Report on subsequent occasions in any manner it chooses.

(This circular is re-issued).

Sd/- xxx

(B. VIJAYARAGHAVAN)

CHAIRMAN & MANAGING DIRECTOR

To

All GM's/DGM's/AGM's
PF, ID, F&R, SUR, Accounts,
Internal Audit, Legal, B.D., A.D., PS to CMD,
CMD's Table.

//FORWARDED BY ORDER//

MANAGING DIRECTOR

12/22

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LIMITED
19-A, RUMMANI LAKSHMIPATHY ROAD, EGMORE, MADRAS-600 008.

Cir.No.22/92.

Dt.29.4.1992

C I R C U L A R

Sub: Nominee Director on the Board of
SIPCOT's assisted units - Appoint-
ment and related matters - Partial
modification.

Ref: This Office Circular No.45/91
dt.9.10.1991.

Para 5 of the Circular No.45/91 dt.9.10.1991
stands amended as follows:

"In case of ~~foreclosure~~ or proposed foreclosure
the nominee will continue to be on the Board
and will be withdrawn only after the possession
of the unit is taken over either by SIPCOT or
any other lending institution."

Sd.....
B.VIJAYARAGHAVAN,
CHAIRMAN & MANAGING DIRECTOR.

To
All Nominee Directors of SIPCOT.
All Officers in SIPCOT.

Copy to:

CMD's Table

P.S. to CMD.

Forwarded by order/


GENERAL MANAGER (F&R)

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED
19-A, Rukmani Lakshimipathy Road, Egmore, Chennai-600 008.

CIRCULAR

No.30/92

Issued Date: 08.07. 1992

Re-issued

Date: 11.02.2021

Sub: SIPCOT – Industrial Estates – Receipt of payment
of dues from allottees or others.

All the Regional Managers and Project Officers are informed that whenever they send reports to Head Office regarding remittance of dues of any type by allottees or others, such reports should be sent only after the amount is realized and credited to the account and not merely on the basis of Cheques/Demand Drafts, etc. The report should specifically say that the amount has been credited to the account.

2. It is seen that reports on remittances etc. are being sent by Telex/Phonogram. This is not in order. In all cases reports are of a crucial nature, especially with financial implications, a duly attested report should be sent and not by Telex/Phonogram.

3. All Regional Managers should immediately acknowledge the receipt of this Circular. They will similarly get acknowledgment from the Project Officers under their control.

(This circular is re-issued).

Sd/- xxx
CHAIRMAN & MANAGING DIRECTOR

To

General Manager (D)
Asst. General Managers (AD)
All Regional Managers
All Project Officers
All Officers in the Development Department.

Copy to:
CMD's Table
PS to CMD.

//FORWARDED BY ORDER//


MANAGING DIRECTOR

7/2 D

Draft Circular for approval:

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED
19-A, RUKMANI LAKSHMIPATHY ROAD, EGMORE, MADRAS - 600 008.

No. 3413

Dated: 15-9-93

CIRCULAR

IDBI in their Circular No. FI.9/93-94, dated 30.6.1993 advised that the units engaged in Floriculture activity are eligible for financial assistance ~~and~~ term loans sanctioned to units engaged in the activity of floriculture as well as cultivation, treatment and packaging of flowers which result in a value added activity, subject to the norms and parameters of IDBI Refinance Scheme, will be eligible for refinance.

This may be noted for future reference.

[Signature]
7/3 CHAIRMAN AND MANAGING DIRECTOR

To

All Officers in the
Head Office

Copy to:

(MHO/999)
DGM (LSD)

[Signature]
3/3 GM (PF&D)

CMD's Table

PS to CMD

AGM(IA)

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED
19-A, RUKMANI LAKSHMIPATHY ROAD, EGMORE, MADRAS-600 008

Cir.No. 44/92

Dated: 23.12.92

CIRCULAR

Sub: Lifting the ban imposed on The Catholic Syrian Bank Limited.

...

491 In our Office Circular No.57/92 dated 3.11.1992 it was advised that no dealings should be had with any of the branches of The Catholic Syrian Bank Limited by any of the offices of SIPCOT and all the transactions with the Bank were banned. ^{Since the} ~~As the~~ matter has ~~since~~ been settled with ~~SIPCOT~~^m, the ban imposed on The Catholic Syrian Bank Limited is lifted. Hence, the Circular No.57/92 dated 3.11.1992 stands cancelled.

*Dm(Cop)
f.p.
24/12/92*

21/12/92
D.M.

A.G.M. (F&R)

21/12
G.M. (F&L)

23/12
(SHEELA BALAKRISHNAN)
MANAGING DIRECTOR

To

All Officers of SIPCOT in Head Office/
Project Office/Regional Office

CC to

M.D's Table

PS to M.D

gd/-

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED
19-A, RUKMANI LAKSHMIATHY ROAD, EGMORE, MADRAS-8.

Cir.No. 8 /94

Dated: 12-1-94

CIRCULAR

Sub: Norms regarding raising 100% promoters contribution.

* * *

The Board at its meeting held on 22.12.93 reviewed the norms being adopted for raising the promoters contribution, in view of the difficulties faced by the entrepreneurs. In this regard the Board passed the following resolution:-

" RESOLVED that the norms adopted by IDBI relating to raising of promoters' contribution for projects be adopted on a case by case basis by SIPCOT and that the Managing Director be delegated with powers to consider such requests".

To

All GMs

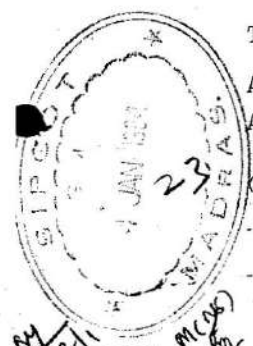
All HODs

Copy to: P.S. to M.D.

12/1/94
MANAGING DIRECTOR.

4.1.94

9/1/94
Gm(PP&D)



Delegated
12/1/94

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED

19-A, Rukmani Lakshmiipathy Road, Egmore, Madras-600 008.

No. 38/94.

Dt. 9.6.1994

CIRCULAR

Sub: Appraisal of projects - Building cost -
Estimation of rates of construction of
building - Plinth area rates - Revision
of Norms - Reg.

- - -

In the recent past there has been steep increase in the cost of building materials like cement, steel, etc., which necessitated for revision in the plinth area rates ^{hitherto} adopted for various types of buildings. Hence the revised rates for the various types of buildings as given under should be adopted, until further review:

Description	Revised rates			
	Madras, Madurai and Coimbatore		Mofussil	
	LBW	FS.	LBW	FS
(In rupees / sq.ft.)				

1. Non-residential Building:

(Factory building with RCC Roof)

Ground floor	270	355	230	280
First floor	235	320	200	250

2. Hospital buildings/
Hotel (RCC Roof)

Ground floor	300	420	265	350
First and subsequent floors	265	385	230	310

3. Factory building/godown
with Ac Sheet roof with
14' height:

With RCC colomn	210	200
With LBW	205	195

LBW - Load bearing walls

FS - Framed structure

- i) The plinth area rates indicated for non-residential buildings (factory building, administrative block, godown laboratory etc.,) with RCC roof and for hospitals hotels have been fixed after taking into account the provision for internal sanitary and water works and electrical installations and also for external sanitary and water works and electrical installations.
- ii) Plinth area rates indicated for Ac sheet roof construction may be followed for factory hall, godown, store room, etc., for roof heights of not more than 14'. For construction with roof heights of more than 14', the rate may be suitably revised by giving extra provision not exceeding 25% of the rate indicated depending upon the height of the roof.
- iii) For construction with MMDA limits and 8 Km. belt area around Coimbatore and Madurai, the plinth area rates applicable for Madras city and Coimbatore and Madurai respectively may be followed.
- iv) For works in Nilgiris District, add 25% extra over the plinth area rates fixed for mofussil area.

It may be noted that although the rates ~~now~~ revised represent the upper limit after which the cost can be permitted, the officers concerned while appraising the project may ensure provision of building cost on case to case basis depending on the estimate and other details furnished by the entrepreneurs taking into consideration of type of building, specific use, etc.,

The revised rates shall be made applicable for loan proposals sanctioned from 1st May 1994.

To

All GMS/
All HODs/ *all officers in Project Finance*

Copy to: PS to MD
MDs Table

mnl 8694
DGM (LSD)

9/6
MANAGING DIRECTOR.

9/6
GM (PF&D)

8/6.

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED

19-A RUKMANI LAKSHMIPATHY ROAD EGMORE MADRAS: 8

No. 51/94

Dated 17.8.1994

CIRCULAR

Sub: Business Development in the changed environment.

With a view to share the experience of ICICI in business development and project finance in the changed economic scenario in the country, it is proposed to conduct an interaction programme on the above subject. Thiru. Joseph, Deputy Zonal Manager and his team of Officers will participate.

The Officers noted in the address entry are requested to participate in the above programme which is to be held on Thursday the 18th August 1994 at 3.30p.m. in the Board Room, ~~of SIPCOT~~. ^{Since} It may be noted that this is a non-formal discussion on general business development, ~~and~~ issues relating to any particular case ~~should~~ ^{may} not be ~~discussed~~ ^{raised}.

m
17/8
GENERAL MANAGER (ADMN&ACCOUNTS)

To

All General Managers
All Deputy General Managers
All Assistant General Managers
Manager (Business Development)

~~copy~~
copy to:

PS to MD
Manager (Public Relations)

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED

19-A, Rukmani Lakshmiipathy Road, Egmore, Madras-8.

No. 53/94

Dt. 19.8.1994

CIRCULAR

Sub: Financial Assistance to projects, cost exceeding
Rs. 5.00 crores

There have been quite a few representation from deserving entrepreneurs desiring to avail the entire term loan exceeding Rs. 150.00 lakhs for their medium/large scale projects from SIPCOT for expeditious implementation of the project. As we were unable to consider such cases, our Board at its Meeting held on 8.8.1994, decided to consider the projects costing more than Rs. 5.00 crores also for term loan sanction upto Rs. 3.00 crores (from SIPCOT), with IDBI refinance facility upto a term loan of Rs. 150.00 lakhs jointly with IDBI or with any other financial institution such as TIIC, ICICI, ^{and Bank(s).} and IFCI. It was further decided to consider term loan assistance upto Rs. 3.00 crores (Rs. 150.00 lakhs under IDBI Refinance/Line of Credit Scheme and the additional term loan requirement with the Corporation's own funds) for projects costing upto Rs. 5.00 crores. Such units should:

- i. have been in operation for at least 4 years;
- ii. have earned profits and/or declared dividend on equity shares during the preceding two financial years; and
- iii. not be in default/overdues to institutions/banks in the payment of their term loan dues.

While considering such projects alongwith IDBI and other institutions, the following criteria shall be taken into account.

- i. The assistance will be restricted to the existing units having proven track record and sound financial health.
- ii. The proposal will be considered on a case-to-case basis.
- iii. The proposal would be referred to IDBI, Southern Regional Office (SRO) for prior clearance and project will be appraised jointly by IDBI and SIPCOT. *(only for projects costing more than Rs 5.00 crores).*
- iv. SIPCOT will put up the proposal to its Board for sanction only after getting IDBI's concurrence to participate in the project.
- v. The loan limit of Rs. 150.00 lakhs from SIPCOT will apply in respect of refinance/line of credit scheme.
- vi. Such refinance/line of credit facility would be within the overall limit sanctioned to the Corporation and no additional limit would be considered for refinance/line of credit for such proposal.

This shall be followed scrupulously while considering such cases and a preliminary clearance should be obtained from Managing Director without fail.

[Signature]
19/8/94
SHEELA BALAKRISHNAN

To

Managing Director.

All GMS.

All HODs. DGMs/AGMs

Copy to:

[Signature]
DGM (LSD)

[Signature]
GM (A&A)
2/4

[Signature]
GM (PF&D)
2/4

PA to MD
MDs Table

MIA

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED
19-A, Rukmani Lakshmipathy Road, Egmore, Madras-8.

No. 56/94

Dated : 29.8.1994

CIRCULAR

SIDBI in their Circular No. FI.1/94/95, dated 27.6.94 advised that the units engaged in Acquaculture projects envisaging the activity of farming of shrimps, prawns including spawning and hatching of eggs, their cultivation into the post larvae stage by using special technology, quality seeds under controlled environmental conditions are eligible for financial assistance subject to satisfying norms of SIDBI.

This may be noted for future reference.


SHEELA BALAKRISHNAN

Managing Director.

To

All GMs

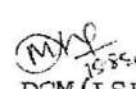
All HODs

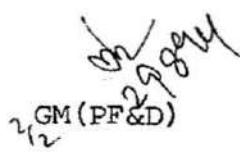
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MDs Table

PS to MD

Ngr. (IA)


DGM (LSD)


GM (PF&D)

D.F.A.

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED
19-A, Rukmani Lakshmipathy Road, Egmore, Madras-8.

Circular No. 69/94

Dated: 5-12-94

CIRCULAR

Sub: Formation of Co-ordination Committee
for Credit Rating.

The Corporation has proposed to obtain credit
rating ~~for raising finance from market through private placement.~~

As per the decision of the Board credit rating
assignment has been entrusted to M/s.CRISIL and Corporate
strategy plan has been entrusted to M/s.Price Waterhouse.
These agencies will be taking up the work shortly.

In order to co-ordinate the various functions of
the Corporation in furnishing information to the above said
agencies, It has been decided to form a Committee, with the
following members:-

Tvl.

M. Thangavelu	GM (PF&D)
M. Pandey	GM (A&A)
V. Harinathan	GM (FU&L)
T. Meenakshisundaram	DGM (LSD)
R. Rajamanickam	DGM (SUR)
CT.Chidambaram	AGM (D.N)
M. Swaminathan	AGM (A) & C.S.
Mf. Madhumathi Kumar	Mgr. (Systems)
SP. Meyyappan	AM (A)
G. Udayaravi	AM (IA)
S. Salaikumaran	AM (SUR)

GM (A&A) will Co-ordinate the functions of the
Committee.

The Committee will discuss the matters and ^{coordinate} ~~arrange~~
to furnish the particulars/information to CRISIL & Price Waterhouse.

The Committee should speed up the work and arrange
to obtain Credit Rating/Corporate Strategy Plan at the earliest.



MANAGING DIRECTOR.

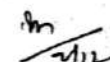
To
All Concerned.

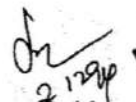
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P.S. to M.D.


2/12/94
AM (A)


2/12/94
AGM (A)


2/12
GM (A&A)


2/12/94
GM (A&A)

CIRCULAR

No. 76/94

Dated 17.12.94

Sub: Enhanced term loan limit for new
units promoted by existing industrial
group/promoters.

- - -

There have been quite a few representations from the
existing industrial group/promoters desiring to avail enhanced
term loan from SIPCOT to the maximum possible limit upto
Rs.300.00 lakhs. This was examined at the Board Meeting held on
29.11.94 and it was decided to extend the term loan assistance
beyond Rs.150.00 lakhs and upto Rs.300.00 lakhs to existing
entrepreneurs/Companies with proven track record seeking term loan
assistance for their newly formed Companies.

in context of the existing units which promoters
Proven track record, would mean:

- i) those units which have been in operation for atleast
four years for Category I^{*} and three years for
Category II^{*} units.
- ii) those who have earned profits and/or declared
dividend on equity shares during the preceding two
financial years.
- iii) *such unit* not in default/overdues to institutions/banks in
payment of their dues and the opinion from financial
institutions/banks should not be adverse.

This shall be followed with effect from 29.11.94.

17/12/94.
SHEELA BALAKRISHNAN,
MANAGING DIRECTOR.

17/12/94
DGM (LSD) *17/12/94* GTM (ASA) *17/12/94* GM (PF&D)

* Category I - Existing units with proven
track record assisted by SIPCOT.

Category II - Existing units with proven
track record assisted by AFIs/Banks.

17/12/94

DFA

Circular No. 25/95

Dt. 11-7-95

CIRCULAR

Sub: Changes in the Directors of
assisted units - Accord^g approval -
Powers delegated to M.D. - Reg.

The Board at its meeting held on 29-6-95 ~~has~~
observed that in respect of cases where there are
changes in the promoters of the assisted units, such
cases might be referred to the Board for approval.

The Board has also delegated powers to the
M.D. to accord approval for changes in Directors in
respect of assisted units, after ensuring the
substitution of personal guarantees given by them.

Extract
of Minutes
filed at
p. 225 of

~~DGM(LSD)~~

[Signature]
11/7
MANAGING DIRECTOR.

To
C.G.M.
GM(F&L)

[Signature]
27/6/95
(LSD)

[Signature]
C.G.M.

Copy to
DGM(LSD)
DGM(SUR), my G.M. (LSD)
All AGM's in F&R Dept.
All Officers in F&R Dept. and L.D. Dept.
PS to M.D.
I.A. Dept. and
Accounts Dept.

[Signature]
7/7/95
DM.

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED

19-A, RUKMANI LAKSHMIPATHY ROAD, EGMORE, MADRAS-8.

CIRCULAR

No. 27/95

Dt. 19.7.1995

Sub: Term Loan Assistance - New Steel Ingots and
Re-rolling units - Reg.

As per the Board Meeting decision on 25.5.94,
financial assistance was not extended to new and existing
steel ingot plants and re-rolling plants in view of the
reason that these type of units were dependent on the ^{power} tariff
^{concession} subsidy all along for their viability and hence such projects
need not be financed by SIPCOT in future. -

Based on the ~~preliminary~~ report on the viability
assessment made by ITCOT on the prospects on steel re-rolling
mill and steel ingot plants, in the absence of power subsidy
and state subsidy, the Board of SIPCOT at its Meeting held
on 29.6.95 reviewed and took a policy decision on financing
term loan to steel plants on the following categories only:

1. Re-rolling plant as stand alone unit with
debt equity norm of 1.08:1.00
2. Integrated steel plant with debt equity norm
of 1.35:1.00
3. Preference will be given for well run units envisaging
modernisation/expansion/diversification and also
units envisaging forward/backward integration with
value addition.

To : CGM
All G.M.'s
All HODs
All Officers in PF Dept.
Copy to: MD's Table
PS to MD
Internal Audit Dept.

[on leave]
DGM(LSD)

SHEELA BALAKRISHNAN
Managing Director.

CGM

11/7/95
19.7.1995

8/11/95

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LTD
19-A, RUMKANI LAKSHMIPATHY ROAD, EGMORE, MADRAS-8.

CIRCULAR

No. 6 /96

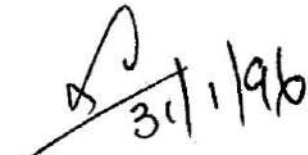
Dt. 31.1.1996

Sub: Term loan assistance to Medium and Major Industries. - Reg.

As per the existing policy Term Loan Assistance is being considered for medium and major industries and also for small scale industries whose project cost exceeds Rs.75.00 lakhs.

In order to concentrate on medium and major industries and our assisted units, Board at its Meeting held on 10.1.96 decided to consider only the projects whose loan requirement exceeds Rs.100.00 lakhs.


It was further decided that the above norm shall not be made applicable to expansion/diversification/modernisation or over run cases.


SHEELA BALAKRISHNAN
Managing Director

To
CGM
All GMs
All DGMs/AGMs

cc:

PS to MD
MD's Table
Manager (IA)


DGM (LSD-II) DGM (LSD-I)


CGM


MD

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED
19-A, RUKMANI LAKSHMIPATHY ROAD, EGMORE, MADRAS-600 008.

CIRCULAR

No. *Fin. No. 38/96*

Dated *5-7-1996*

Sub: SIDBI Line of Credit - Reg.

Ref: Item No. 32 of the Agenda for the Board
Meeting *held on* ~~dt.~~ 30.5.1996.

The Board while recording the Circular (No. FI.23/95-96
dt. 18.3.96) of SIDBI ^{*on the*} Line of Credit ^{*terms*} decided to continue the
procedure being followed by SIPCOT for collecting Upfront fee of
1% in full before documentation from the borrower or before
considering the extension of validity of Term Loan sanction
beyond five months whichever is earlier. This ~~may~~ be taken note
of.

MKD 18/5/96
DGM(LSD-I) DGM(LSD-II) DGM(LDD) AGM(A&CS)

M 18/5/96
GM(A&A) CGM

5/7/96
M.D.

To
The Chief General Manager
All GMs/HODs

Copy to:

~~Chairman's Table~~

PS to Chairman

Managing Director's Table

PS to M.D.

Internal Audit

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED,
19-A, RUKMANI LAKSHMIPATHY ROAD, EGMORE, MADRAS-600 008.

Circular No. 20/96

Dated .04.96

Sub: Project Appraisal-Refund of Upfront Fee

- - -

As per the existing policy, an Upfront fee of 1% on the Term loan sanctioned is being collected in lieu of commitment charges as introduced by IDBI with effect from 1.5.91. This amount is being collected before Legal documentation and to keep the sanction alive.

There are quite a few instances where the borrowers have not been able to comply with the terms and conditions of the Sanction order, owing to one reason or the other, that had led to dropping of the project on their own. Under such circumstances the borrowers, as they had not availed any part of the loan, request for refund of upfront fee.

In view of the above, the Board at its Meeting held on 28.3.96 has decided to refund the entire upfront fee in full to the borrowers where sanction did not result in disbursement.



SHEELA BALAKRISHNAN,
MANAGING DIRECTOR.

1/2

12/4/96

CIRCULAR

No. 51/96.

Dated: 23.8.1996.

Sub: IDBI Line of Credit -
Modification - Reg.

IDBI in its Circular No.FI 1/96-97 dated, 8.5.96
has made certain amendments and modified the LOC Scheme.

The salient features of the existing clause and
the proposed modifications are given under:-

I Approval of loan proposals by IDBI	Existing	Proposed modification
	Category 'A'	Category 'A'
	<u>Free Limit Ceiling</u>	<u>Loan Ceiling</u>
	/Rs.in lakhs/	
SFC	60.00	90.00
SIDC	90.00	150.00
		250.00

The loan with ^mabove ceiling will be covered under LOC Scheme,
for which no prior approval of IDBI would be necessary.

- II. Upfront fee Upfront fee will be recovered in 4 equal instalments as under:
- 25% of total upfront fee at the time of first disbursement.
- Further 25% of total upfront fee on institution drawing 25% of LOC.
- Further 25% of total upfront fee on institution drawing 50% of LOC.
- Last 25% of total upfront fee on institution drawing 75% of LOC.
- The levy of upfront fee at 1% will be on each disbursement made under LOC.

..2/-

III. Period of drawal under LOC

The entire amount sanctioned under LOC will have to be drawn within twenty four months from the date of sanction of LOC.

The entire amount sanctioned under LOC will have to be drawn within one year reckoned from April-March each year. The undrawn portion of LOC, if any will lapse on March 31 of that particular financial year.

No extension in validity period would be considered for individual proposals covered by the corporation after commencement of the LOC scheme.

The existing validity period of 24 months for individual proposals under Normal Refinance Scheme and of six months under Equipment Refinance Scheme only would continue.

IV. Rate of Interest

The rate of interest on LOC would be the rate prevailing at the time of first disbursement

a) The rate of interest on LOC would be the rate prevailing at the time of first disbursement by IDBI.

b) Additional Interest:

Any default in payment of interest under the LOC Scheme would attract interest @ 2% p.a over and above normal refinance rate of IDBI prevailing on the date of default or the rate at which the LOC is disbursed whichever is higher.

V. Annual Review

The classification of the Corporation into the three categories will be reviewed at the end of each financial year based on their audited annual accounts and performance in the previous financial year.

SIDCs are permitted to continue to draw refinance in disbursement as provided under the Normal respect of individual/Refinance Scheme upto March 31, 1997 only, if such disbursements relate to sanction of loans by the Corporation prior to April 1, 1995.

/3/

The above modifications must be taken note of
while dealing LOC/RF cases by the officers concerned.

sd/

QUDSIA GANDHI
MANAGING DIRECTOR.

To

The Chief General Manager
All GMs/HODs

Copy to:

Managing Director's Table
PS to Chairman
PS to MD
Internal Audit



Qud
DGM [LSD-B]

Qud
DGM [LSD-B]

Qud
DGM [LDD]

Qud
AGM [A/C]

Qud
GM [A & A]

Qud
CGM [A & A]

Qud
23/9

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED
19-A, Rukmani Lakshimipathy Road, Egmore, Chennai-600 008.

CIRCULAR

No.72/1996

Issued Date: 28.11..1996

Re-issued

Date: 11.02.2021

Sub: Project Appraisal – Refund of Service Charges
on the Public issue cases – reg.

Ref: O.O.No.10/94, dt.15.03.1994.

As per the existing policy, SIPCOT is collecting service charges at the rate of 0.25% on the project cost, where the projects contemplate public issue through OTCEI/SEBI etc. apart from the normal processing fee for the term loan in respect of projects appraised by SIPCOT. There have been few requests from entrepreneurs for refund of service charges already paid by them on the ground that they have not ~~got~~^{gone} for public issue at all. This aspect was examined and reviewed the note on refund of service charges and decisions.

The Board at its meeting held on 04.11.1996 has decided as follows:

1. To refund only the 80% of the service charges paid by the company in case the application does not result in sanction and /or the applicant withdraws his application at any stage prior to our sanction.
2. In case, the term loan sanction is already made and the borrower does not accept sanction/not availed term loan/withdrawn term loan, no refund will be made towards service charge on public issue cases.

(This circular is re-issued).

Sd/- xxx
MANAGING DIRECTOR


...Contd.(2)

To

The Chief General Manager
All GMs/HODs

Copy to:
Chairman's Table
M.D.'s Table
P.S. to Chairman
P.S. to M.D.
I.A. Dept.

//FORWARDED BY ORDER//


MANAGING DIRECTOR

8/22

தேதி : 30.1.197

பொருள் : அலுவலக நடைமுறை - அரசு ஆணைகள், - முக்கிய அறிவுரைகள் மற்றும் கடிதங்கள் ஐடிபிஐ சுற்றறிக்கை - தொடர்பாக

ஊட்டிக் கமிஷனர்தான் பெறப்படுகின்ற சுற்றறிக்கைகள்
மற்றும் முக்கிய கடிதங்கள் அபரேசன் 1 துறையில் பெறப்பட்டிருக்கக்
குறைந்தும் உத்தரிக் கமிஷனர்தான் பெறப்படுகின்ற சுற்றறிக்கைகள், ஏனைய முக்கிய கடிதங்களும்
நமது அலுவலகத்திலுள்ள எல்லா துறைகளிலும் அரசுத்துறையிலிருந்து
பெறப்படுகின்ற ஆணைகள், சுற்றறிக்கைகள், ஏனைய முக்கிய கடிதங்களும்
அதற்கு தொடர்பான மற்ற துறைகளுக்கு அனுப்பப்பட வேண்டும். குறிப்பாக
இத்தகைய அரசு ஆணைகளும், முக்கிய கடிதங்களும், கனக்கு மற்றும்
உள் தனிக் கமிஷனர்தான் பெறப்படுகின்ற சுற்றறிக்கைகள், ஏனைய முக்கிய கடிதங்களும்

சுணைப் பொது மேலாளர் (நிதி மற்றும் நிர்வாகம்)

அனைத்து பொது மேலாளர்கள்
கண்காணிப்பு பொறியாளர்
அனைத்து துறை தலைவர்கள்
தலைவரின் தனிச் செயலர்
நிர்வாக இயக்குநரின் தனிச் செயலர்

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED

19-A, Rukmani Lakshmipathy Road, Egmore, Chennai-600 008.

No. 25/97

Dated. 22.3 97

CIRCULAR

SIDBI in their Circular No.FI.12/96-97, dt.30.12.96 informed that Development Commissioner, (Small Scale Industries), Ministry of Industry, Government of India, now decided to include the processing/manufacturing tea units for registration as SSI Units under SIDO Scheme. Government has made the following policy:

"All units engaged in the processing or manufacture of tea are eligible for registration as Small Scale Units under the SIDO Scheme. This however, does not include the activity of growing tea".

This may be noted for future reference.

(SUDSIA GANDHI)

Managing Director

GENERAL MANAGER (PF)

To

All GMs
SE
All HODs

Copy to:

MDH Table

PS to CH.

PS to MD

IA Dept

DM

Mgr.

DGM(LAS-I)

22397

22397

GM(PF)

DRAFT FOR APPROVAL

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LTD.
19-A, Rukmani Lakshmipathy Road, Egmore, Chennai-600 008.

Circular No. 28/97.

Dated: -04-1997.

C I R C U L A R


Obtaining a Lease Deed in respect of Assistance
considered for installation of Plant & Machinery
on a Leasehold Premises.

In respect of assistance to be considered
~~for availing loan~~ for purchase of Plant & Machinery
to be installed in a Leasehold Premises, the Board
at its meeting held on 26-03-1997, ^{has} approved the
following procedure:

1. Where the Building to be taken on lease is
situated within the Corporation/Municipal limits or
where the Tamilnadu Buildings (Lease and Rent Control)
Act, 1960, is made applicable, then the loanee will have
to produce unregistered lease deed for 11 months with an
option to renew for another 11 months for a total period
of 9 years or till the loan is cleared. In respect of
other areas, the loanee will have to produce a registered
lease deed for five years with an option to renew for
another 5 years.

2. The loanee will have to produce a No Objection
Letter from the landlord to house the plant & machinery
in ^{the} leasehold premises with ^{and} a right to create a
mortgage over the leasehold right in favour of SIPCOT
for the loan sanctioned. A copy of the Board Note put up
for sanction is enclosed.

To
All the employees
(through HODs by circulation).


QUDSIA GANDHI
MANAGING DIRECTOR.

2/L

contd....2/-

All GMS.

All HODs.

All Regional Managers.

All Project Officers.

PS to MD.

PS to CH.

Draft:

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED

19 A, Rukmani Lakshmipathy Salai, Egmore, Chennai-600 008.

Circular No. A2/97

Dated: 19.5.1997

CIRCULAR


Sub: Introduction of financial services-
Lease Financing and Discounting of
capital goods bills.

* * * * *

The Board of SIPCOT in the Board Meeting held on
30.4.1997 approved the following financial services for
financial assistance under the diversification plan:

1. Lease Financing, and
2. Discounting of Capital Goods Bills.

The salient features of the above schemes are enclosed
as Part I and Part II respectively.


MANAGING DIRECTOR.

To

All GMS

All HODs

Superintending Engineer


All POS

PS to Chairman


PS to M.D.

PRO.

File copy


13/5/97
Dm


13/5/97
mgr.


Am (PF II & A)

LEASE FINANCEPart - I

OBJECTIVES

Under the Equipment Lease Finance Scheme, SIPCOT provides convenient lease financing with regard to the acquisition of plant and machinery. This scheme is exclusive to existing, profitably run industrial units which wish to expand, modernise or diversify their activities.

ADVANTAGES

1. 100% Finance
2. Quick financing, with simple procedural formalities
3. Lease rentals fully deductible for income tax purpose.
4. Flexible options.
5. Leaves normal lines of credit undisturbed.
6. Provides off balance sheet financing, leaving financial ratios unaffected.

ELIGIBILITY

A. All industrial concerns which are eligible for availing of term loan from the Corporation can get assistance under this scheme. Besides, such concerns should have:

1. been in production for the last three years.
2. earned net profit for the last two years.
3. a positive net worth
4. been regular in repayment to banks/ financial institutions.

b. Only new indigenous or imported equipment from suppliers or manufacturers who are reputed are eligible for leasing.

LEASE PERIOD:

Three to five years.

BASIC TERMS:

Rs. 5.00 lakhs minimum and
Rs. 250.00 lakhs maximum.
This will be limited to the
extent of the assets owned by
the lessee.

CHARGES:

Lease Processing fee 0.25%

Lease Management fee of 1%

Security Deposit two
instalments.

Monthly rentals payable in
advance without moratorium.

BILL DISCOUNTING SCHEME for Capital goods.Part - II

ADVANTAGES

- a. 90% Finance
- b. Quick financing with simple procedural formalities
- c. Ownership vests with the purchaser
- d. Providing Deferred credit to the purchasers.

ELIGIBILITY CRITERIA

a. SELLER (CAPITAL GOODS MANUFACTURER)

All capital goods/equipment manufacturing units situated in Tamilnadu are eligible. Besides such concerns should have:

- i. in production for the last three years.
- ii. earned net profits for the last two years.
- iii. regular in repayment to Banks/Financial Institutions.

b. PURCHASER

The company should be a manufacturing company situated in Tamilnadu. Besides such concerns should have:

- i. good tract record and positive network.
- ii. been regular in repayment to financial institutions/Banks.
- iii. been able to provide counter guarantee/Bank guarantee for discounting the bills on its behalf.

EXTENT OF ASSISTANCE

Upto 90% of the invoice value

including insurance freight & taxes.

DEFERRED CREDIT PERIOD:

3/5 Years. Quarterly instalments with interest on reducing balance. Quarterly repayments of principal & interest on equated instalments are permissible on request.

CHARGES

Up Front Fee	1%
Processing Fee	Rs. 10,000 per application(non refundable)

BASIC TERMS

Rs. 25.00 lakhs minimum per set of Bills and Rs. 250.00 lakhs maximum per unit.

STAMP DUTY

As applicable from time to time and shall be borne by the borrower

Draft Circular

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LTD
19-A, Rukmani Lakshmi Pathy Road, Egmore, Chennai-8.

Circular No. 43 / 97

Date : 16 05-1997.

SUB : Enhancement of Project cost limit
and term loan assistance limit to
Medium and Major Industries.

In view of an escalation in the cost of capital investment in all the Industrial sectors and proposed enhancement of SSI Limit to Rs.3.00 Crores, there is ^a need to enhance the term loan limit and also to consider the projects promoted by the existing companies with the project cost exceeding Rs.10.00 Crores.

The Board of SIPCOT in the Board Meeting held on 30-04-1997, accorded approval for ^{The} enhancement of project cost limit and term loan assistance limit to medium and major industries and framed the following policy guidelines.


1. To process term loan application whose term loan requirement is upto Rs.500.00 lakhs with the project cost not exceeding Rs.20.00 Crores out of SIPCOT's own funds for projects promoted by existing entrepreneurs with proven track record.
2. To levy an interest rate of 18.5% p.a. (inclusive of interest tax) as a special case on par with other financial institutions for term loan assistance exceeding Rs.300.00 lakhs. This will be subject to periodical review.

(Contd....2)

3. To restrict SIPCOT's maximum exposure in this category upto 20% of the term loan portfolio (i.e.,) upto Rs.25.00 Crores during the year 1997-98.
4. To charge processing fee of 0.25% of the term loan applied for.

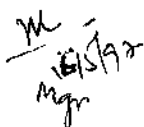
The proven track record shall mean :

- a) The units should have been in operation for atleast 4 years.
- b) The units should have earned profit/declared dividend for the preceeding two financial years.
- c) The units should not be in default and/or overdues to SFC's/SIC's/Banks/AIFI's and their credit reports should be satisfactory.

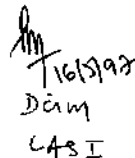


MANAGING DIRECTOR

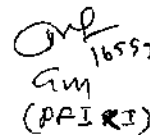
To
All Coms
All HODs.
Accounts Dept.
Legal Dept.



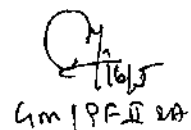
16/5/98
mgr



16/5/98
DGM
LASI



16/5/98
Gm
(PAIRI)



16/5/98
Gm/PFI 2A

Copy to :

PS to Chairman Table

PS to MD Table

~~All Coms.~~

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LTD
19-A, Rukmani Lakshmiipathy Road, Egmore, Chennai-8.

No. 59/97

Dated : -08-1997.

CIRCULAR

SUB : Appraisal of projects - Building Cost -
Estimation of rates of construction of
building - Plinth area rates - revision
of Norms - reg.

In the recent past there has been^a steep increase in the cost of building materials like cement, steel, etc., which necessitated for revision in the plinth area rates hitherto adopted for various types of buildings. Hence the revised rates for the various types of buildings as given under should be adopted, until further review.

Description	Revised rates			
	Chennai, Madurai and Coimbatore		Mofussil	
	LBW	FS	LBW	FS
(In Rupees/sq.ft)				
1. Non-residential Building : (Factory building with RCC roof)				
Ground Floor	330	430	285	350
First Floor	290	390	245	315
2. Hospital building/ Hotel (RCC roof)				
Ground Floor	360	515	315	415
First and subsequent floors.	320	475	275	375

3. Factory building/
godown with ACC
sheet roof with
14' height (with
steel trusses &
Purlins)

With RCC column	-	-	255	240
With LBW	-	-	250	235

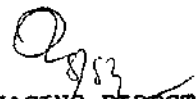
LBW - Load bearing walls.

FS - Framed structure.


- i) The plinth area rates indicated for non-residential buildings (factory building, administrative block, godown laboratory etc.,) with RCC roof and for hospitals/hotels have been fixed after taking into account the provision for internal sanitary and water supply and electrical installations and also for external sanitary and water supply and electrical installations.
- ii) Plinth area rates indicated for AC sheet roof construction may be followed for factory hall, godown, store room, etc., for roof heights of not more than 14', the rate may be suitably revised by giving extra provision not exceeding 25% of the rate indicated depending upon the height of the roof.
- iii) The plinth area rates are inclusive of provisions for mosaic flooring and glazed tiles for toilets in respect of hospital/hotel buildings.
- iv) For Construction with ^{CMDA} ~~MMDA~~ limits and 8 Km. belt area around Coimbatore and Madurai, the plinth area rates applicable for ^{Chennai} ~~Madras~~ City, Coimbatore and Madurai respectively may be followed.
- v) For works in Nilgiris District, add 25% extra over the plinth area rates fixed for mofussil area.

It may be noted that although the rates now revised represent the upper limit ^{upto} after which the cost can be permitted, ^{the} Officers concerned while appraising the project may ensure provision of building cost on case to case basis depending on the estimate and other details furnished by the entrepreneurs taking into consideration ^{the} of type of building, specific use, etc.,

The revised rates shall be made applicable for loan & proposals sanctioned ^{on or after} ~~from~~ 1st August 1997. 1997.


MANAGING DIRECTOR.



178197
MGO



178197
DSM(CASI)


GM(PFI)

GM(PFI)

To


418117
ADM(CASI)


GM(PFI)


418118
GM(PFI)

ALL GMS

ALL HODS

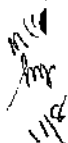
ALL OFFICERS IN PROJECT FINANCE

COPY TO

MD'S TABLE

PS TO MD

PS TO INTERNAL AUDIT



SIPCOT

DRAFT FOR APPROVAL

Circular No. 79 /97

Dt. 17.12.97.

CIRCULAR

Sub: Refund of Processing fees in respect
of Equipment Lease Finance.

* * * *

The Board of SIPCOT at its meeting held on 26.11.97 had decided with regard to refund of Processing fee collected for the Equipment Lease Finance Proposed as follows:


a. To refund only 80% of the processing fee paid by the company in case the application does not result in sanction and/or the applicant withdraws the application at any stage prior to our sanction.

b. No refund will be made towards processing fee on Lease Finance in case the Lease Finance sanction has already been made and the borrower does not accept sanction or has not availed of lease finance.



MANAGING DIRECTOR.


D.M.


G.M. (PF II & A)

To
All GMs
All HODs
C.E.
All POs & RMs
PS to Chairman
PS to MD
FSD

DRAFT FOR APPROVAL:

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED

19-A, Rukmani Lakshmipty Road, Egmore, Chennai - 8.

Circular No. 11 / 98

Dt. 11.3.1998

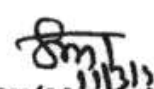
CIRCULAR

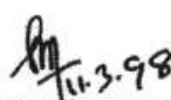
Sub: TERMS AND CONDITIONS FOR SANCTION OF
TERM LOAN - REVISED. / MODIFIED FORMAT - Reg.

The revised format for the terms and conditions
for sanction of term loan, ^{with} ~~which~~ bifurcation as standard
conditions and special conditions, has been considered
and approved by the Board of SIPCOT at its meeting held on
25.2.1998. The ^{rev} ~~revised~~ / modified format, ^{with an annexed} ~~enclosed herewith~~,
^{shall} may be adopted henceforth.

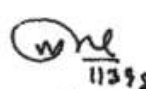

MANAGING DIRECTOR. 2/2

Encl: Terms and conditions
of sanction.


AGM (LAS-II)


DGM (LAS-I)


GM (PF-II) 1/2


GM (PF-I) 1/2

To

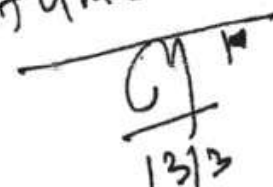
All Gms

All Hqs.

Copy to

P.S to chairman

P.S to M.D

AGM (LAS-II)

13/3

PROPOSED SANCTION LETTER

Annexure - B

Ref No.

Date :

To

Dear Sir(s)

Sub: Your company's application for financial
assistance - Sanction letter - Reg.

Please refer to your application and the subsequent
correspondence and discussions you had with SIPCOT, for financial
assistance to..... (Scope of the project).....
at.....(location of the unit).....
SIPCOT at its Board meeting held on sanctioned
term loan of Rs..... to your company.

1. The aforesaid financial assistance is subject to the
special terms and conditions set out in Appendix-I hereto.

2. The aforesaid loan is subject to the standard terms and
conditions contained in the Appendix II to this Letter of Intent.
All the Appendices are deemed to be part of this Letter of
Intent.

3. The Company shall enter into a Loan Agreement with
SIPCOT.

4. Drafts of the Loan Agreement would be forwarded to the
Company by SIPCOT after the Company has accepted the terms and
conditions of this Letter of Intent.

5. In case the above terms and conditions are acceptable to
you, you may furnish to us within 30 days from the date of
receipt of this letter your acceptance to the terms and
conditions of this Letter of Intent.

6. Please note that this communciation should not be construed as giving rise to any binding obligation on the part of SIPCOT unless the Company communicates to SIPCOT within 30 days from the date of receipt of this letter that the terms and conditions set out herein are acceptable to it and unless the Loan Agreement and other documents relating to the above assistance are executed by the Company in such form as may be required SIPCOT within five months from the date of this Letter or such further time as may be allowed by SIPCOT in its absolute discretion.

Meanwhile kindly acknowledge receipt of this letter.

Yours faithfully,

Encl :

MANAGING DIRECTOR.

PROPOSED SPECIAL TERMS AND CONDITIONS.

APPENDIX - I

SPECIAL TERMS AND CONDITIONS

1. Name of the Company :

2. Address

i) Registered Office

ii) Factory

3. Product(s) envisaged

4. Facility, amount granted and norms of disbursement :

a. Nature of facility

b. Date of sanction

c. Amount sanctioned

d. PROJECT COST

(Rs. in Lakhs)

1. Land

2. Land development

3. Buildings

4. Equipments including electricals

5. Other assets

6. Contingencies

7. Preliminary and Pre-Operative Expenses :

8. Margin Money for Working Capital :

TOTAL

e. FINANCING PLAN :

(a) Equity

i. Share Capital

ii. Internal Generation

iii. Subsidy

iv. Others

(b) Debt :

Term Loans : (1) SIPCOT

(2) Bank / TIIC

TOTAL

f. SECURITY :

(Rs.in Lakhs)

- i) Land
- ii) Buildings
- iii) Plant and Machinery
including equipments
and electrical
installations)
- iv) Others
- v) Contingency

TOTAL

- g. Details of assets }
eligible for } Vide Annexure - A.
Disbursement }

h. IMPLEMENTATION SCHEDULE

i. Norms of disbursements :

i) Advance Margin : The loan will be disbursed in accordance with the advance margin of _____% for the proposal

ii) Debt Equity Ratio for the proposal :

Including Subsidy :

Excluding Subsidy :

For disbursement of Term Loan DER
excluding subsidy shall be adopted.

iii) Disbursement will commence only after the promoters raise the entire Share Capital/Internal generation/Interest free unsecured Loan and utilise the same in the creation of fixed assets.

5. Purpose of the Loan :

The loan will be disbursed for creation of fixed assets as per the details in Annexure-'A'.

6. The Borrower shall before documentation obtain necessary sanctions from TIIC/Bank/Institution for the balance term loan in the means of finance.

7. A non-refundable upfront fee of 1% on the entire loan amount will be collected before the loan agreement is signed.

8. Rate of Interest :

The company shall pay to SIPCOT interest and applicable interest tax at the rate prevailing on the date of first drawal of the loan. As on date the rate of interest is % per annum, (exclusive of applicable interest tax). In case of default of any instalment, a penal interest of 2.5% per annum over and above the normal rate will be levied on the defaulted amount(s) for the defaulted period(s).

9. Nature of Charge :

a) The borrower shall create exclusive first charge on fixed assets in favour of SIPCOT by way of equitable mortgage for the full amount of the loan sanctioned.

or

The borrower shall create first charge by way of joint equitable mortgage in favour of SIPCOT for the full amount of the loan sanctioned. The charges thus created shall rank pari passu with the charges created or to be created in favour of TIIC/Bank/Institution () for the term loan sanctioned by them.

b) Tvl.

shall guarantee for prompt repayment of the principal instalments interest and/or other charges to SIPCOT on the due dates. No commission shall be payable to the guarantors for the same.

c) The borrower and the promoter Directors viz., shall give an undertaking that the shares which have been held by the promoter directors will not be transferred to any one else without the prior written permission of SIPCOT. The said promoter directors shall also furnish a non-disposal undertaking of their shares during the pendency of SIPCOT's loan to the borrower company.

10-12. Repayment Schedule :

The loan amount shall be repaid in quarterly instalments after an initial moratorium of years/months from the date of first drawal of the loan, as given below :

11. 13. Other Special Conditions :

Company Name :

Annexure to Special terms and conditions of sanction letter
dated

DETAILS OF ASSETS ELIGIBLE FOR DISBURSEMENTS :

- (a) Land, including land development
(extent of the land, value,
including registration charge,
cost of development etc. to be
specified)
- (b) Building (type of construction,
area, rate, etc., to be
furnished)
- (c) Plant and Machinery
(Individual items of machinery
with the suppliers name; cost
including excise duty; sales tax
or other applicable tax, transport
charges, insurance and erection
to be specified in detail).

PROPOSED STANDARD TERMS AND CONDITIONS

(REVISED)

Appendix - IISTANDARD TERMS AND CONDITIONS

1. The sanction is under IDBI / SIDBI Line of Credit / Own funds. Any condition stipulated by IDBI/SIDBI for grant of Line of Credit will also be applicable to the present sanction.

2. The borrower shall obtain prior approval of SIPCOT before incurring any over-run in the project cost.

3. The borrower shall obtain the prior approval of SIPCOT for any change of machinery supplier or machines.

4. a) The title to the property shall be clear. All documents and title deeds furnished to SIPCOT will be retained by SIPCOT till the loan is completely discharged. In the case of joint financing, title deeds can be deposited with any one of the participating institutions by mutual agreement.

b) All additional building and machinery constructed and purchased over and above the building and machinery existing at the date of disbursement of the loan will also become part of the security for the entire loan.

c) The loan shall also be secured by way of floating charge on current assets including book debts subject to the first charge in favour of Bank for working capital.

5. a. The interest calculated upto the last day of the quarter will be payable by the borrower on or before the last day of each quarter. When such interest stands unpaid on due date, the same will be added to the outstanding of the previous quarter on which amount also further interest will be charged.

b. No credit in interest will be allowed for the amount of principal or interest paid earlier except in those cases where the loan has been fully repaid or the full payment of instalment of principal or interest is made more than 30 days before the due date.

c. SIPCOT reserves the right to alter/revise/change the rate of interest (including penal interest) from time to time retrospectively/prospectively which will be binding on the borrower.

6. The sanction order shall lapse

a. If the sanction order and the terms and conditions thereof are not accepted by the borrower within 30 days from the date of sanction order

-: 2 :-

b. If the documents are not executed and the loan agreement not signed within five months from the date of sanction order.

c. If atleast 10% of the sanctioned amount is not drawn within six months from the date of sanction order.

d. Subject to (c) above, if the entire loan sanctioned is not availed of within 23 months from the date of sanction order, the undrawn portion will lapse.

7. In the case of Equipemnt Refinance Scheme, if both documentation and drawal of entire loan is not completed within five months from the date of sanction order, the sanction will lapse.

8. In case of any short-fall in the subsidy contemplated the same shall be brought in by the promoters as interest free funds/additional equity from their own sources. Promoters shall give an undertaking to this effect at the time of executing the documents for term loan.

9. The appointment/re-appointment of Managing Director(s) and/or Director(s) / Change in Constitution and remuneration of Managing Director / Director and other terms of appointment and revision shall be subject to the prior approval of SIPCOT. This condition however will not be applicable to institutional nominees.

10. The company shall obtain prior permission of SIPCOT for sale of any fixed assets. Any sale proceeds of sold/replaced machinery including vehicle shall be paid to SIPCOT. If there are other participating institutions/Banks the sale proceeds shall be paid in accordance with the pari passu charges created.

11. (a) The Borrower shall keep the building and plant & machinery in good condition.

(b) The borrower shall insure for the full value of the mortgaged properties or any addition thereto or such of them as may be required by SIPCOT against loss or damage by fire, riot (riot and strike) civil commotion and other risks. Disbursement will be made only on receipt of insurance policy. The borrower shall insure for the full value of the existing buildings and machinery and, as and when further additions are made, the borrower shall insure for the full value of such addition. The interest of SIPCOT as mortgage should be incorporated in all the policies in the form prescribed by SIPCOT. The borrower must punctually pay premium on the policies as and when they become due and shall deposit the insurance policies or copies thereof, with SIPCOT.

12. In the event of failure to keep the insurance in force SIPCOT may itself do so and the expenditure so incurred shall be recovered from the borrower.

-: 3 :-

13. The borrower should obtain the prior consent of SIPCOT before investing in shares/debentures or advancing to other concerns loans for a period of three months and beyond. Investment in Central Government and State Government securities and other Bonds and debentures which carry the guarantee of the Government will be exempted from the operation of this clause.

14. The promoters/directors including the Managing Director of the borrower company should undertake to bring in interest free funds as unsecured loans/deposits to meet any shortfall that may arise in financing the project/working capital requirements. These loans/deposits shall not be withdrawn without the prior approval of SIPCOT.

15. The borrower shall not without prior approval of SIPCOT enter into any agreement or arrangement in regard to purchases or sales or any other matter with any concern in which any of the promoters or directors has any interest.

16. During the currency of the loan, the borrower -

a) shall not undertake any scheme of expansion or change of location of the project without prior approval of SIPCOT.

b) Shall obtain prior permission from SIPCOT to acquire any additional assets not envisaged in the scheme.

17. During the currency of the loan, the borrower shall --

(a) keep SIPCOT informed of the implementation of the project every month.

(b) furnish to SIPCOT the progress report and other statements of production, sales and stocks (quantity and value) after it commences commercial production, either monthly/quarterly/half-yearly as required by SIPCOT from time to time.

(c) Get its annual accounts audited by a Chartered Accountant and furnish SIPCOT with copies of certified accounts.

(d) In case it is an Export oriented unit and/or Unit located in MEPZ, the borrower shall submit regularly to SIPCOT a copy of the prescribed quarterly progress report submitted to the Office of the Development Commissioner/Government of India. If and when any Notice is received or any action taken for violation of any of the terms of the export obligation then the borrower should immediately intimate the same to SIPCOT.

-: 4 :-

18. The concern shall endeavour to implement the social objectives of the Government like recruitment through Employment Exchange, employment of physically handicapped persons, repatriates, SC/ST persons etc.,.

19. SIPCOT shall have the right to nominate one of its representatives as a Director on the Board of the borrowing Company. Where the Articles of Association of the borrowing company do not provide for nomination of a Director by a Financial Institution, the Company shall within six months from the date of sanction of the loan take necessary steps to amend the Articles of Association towards this in the manner approved by SIPCOT. In the meanwhile, SIPCOT's nominee shall be co-opted/invited to participate in the Board meeting of the borrowing Company.

20. During the currency of the loan, the borrower shall be bound :

a) to allow SIPCOT's employees and agents either along or with other workmen and others at all reasonable times to enter into the mortgaged premises and to inspect the same including the engines, machinery whether fixed or movable the cost of such inspection being borne by the borrower.

b) to permit the inspection of all accounts relating to the business wherever such accounts are kept.

c) to maintain such special accounts or furnish such statements as SIPCOT may prescribe from time to time.

d) to furnish the accounts of the business to such audit as SIPCOT may prescribe ; and

e) to furnish to SIPCOT such information and such documents as may be called for from time to time within the period prescribed by SIPCOT.

21. a) During the currency of the loan, the borrowing company shall not without the previous consent of SIPCOT to declare any dividend in respect of the accounting year in which it fails to meet its obligations to pay interest and or instalment(s) falling due for payment to SIPCOT.

b) The company shall obtain prior consent of SIPCOT for declaring dividend at more than 20 % even it had met its obligations to SIPCOT in the payment of Principal and Interest and other dues.

22. In case any of the other institutions providing financial assistance to the borrower imposes any condition on the borrower, SIPCOT will be at liberty to apply the same in respect of SIPCOT loan also.

23. The assets to be mortgaged to SIPCOT should be identified with name plates viz., "Fixed Assets mortgaged to SIPCOT" affixed thereon.

24. Before the first drawal of the loan amount, the borrower shall produce the charge certificate from the Registrar of Companies.

25. (a) The constitution of the Board of Directors of the borrowed company as already approved by SIPCOT should not be changed without the prior approval of SIPCOT.

(b) The Memorandum and Articles of Association of the borrower-company shall not be amended without prior permission of SIPCOT.

26. The borrower shall have no objection to SIPCOT furnishing to IDBI/SIDBI all such information as IDBI/SIDBI may require from time to time in connection with obtaining of refinance and also inspection of the units by IDBI/SIDBI during the currency of refinance.

27. The borrower shall obtain the prior approval of SIPCOT before raising any term loan, secured or otherwise, from any other institution/Banks.

28. SIPCOT reserves the right to demand prepayment of one or more instalments of principal in the existing schedule of repayment based on the financial position and working results of the borrower and within such time as may be prescribed. The decision of SIPCOT in such cases will be final.

29. The borrower shall obtain prior approval of SIPCOT (which may be granted subject to such conditions as SIPCOT may deem fit including payment of premia for such pre-payment) to prepay the outstanding principal amounts of the loan in full or in part, before the due dates.

30. Promoters/Promoter directors shall make good any shortfall in the projected fund flow required for repayment of term loan/interest/other charges to SIPCOT by securing interest free funds/additional equity from their own sources.

-: 6 :-

31. SIPCOT reserves the right to foreclose and recall the loan if it is seen that the sanction has been obtained on the basis of false or misleading information furnished or facts suppressed by the applicant.

32. SIPCOT reserves the right to foreclose and recall the loan for violation of any of the terms and conditions stipulated in this sanction order.

33. SIPCOT reserves the right to foreclose and recall the loan in case of default in repayment of principal, interest and other dues.

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED
19 A, RUKMANI LAKSHMIPATHY ROAD, EGMORE, CHENNAI - 600 008.

Circular No.: 26/98

Dt. .6.98

CIRCULAR

- Sub: i. Introduction of Corporation Short term loan scheme.
- ii. Modification in collateral security clause for lease finance scheme.
- iii. Modified inhouse credit rate system for lease finance.

I. The Board of SIPCOT at its meeting held on 27.5.1998 approved the a) proposal for the introduction of Corporate Short Term Loan as per the guidelines for provision of LC margin money for import of equipments and such cases should be submitted to the board for approval. The following guidelines shall be adopted for this scheme.

- | | | |
|-------------------------|---|---|
| 1. Purpose of Loan | : | LC Margin for import of equipments till the term loan is sanctioned and released by the FIs/ Banks. |
| 2. Eligibility Criteria | : | a. The company should be in operation for the last three years. |
| | | b. The company should have earned net profit for the last two years. |
| | | c. The company should have positive network. |
| | | d. The company should have been regular in repayment to Banks/ Financial Institutions. |

e. The company with category of 'A' or 'B' based on the inhouse credit rating will be based on the financial credit rating system evolved as per the credit system.

3. SECURITY:

The security would not be less than 100% of the Corporate Short Term loan granted. A suitable mix of the following securities may be obtained.

- a. Assets Acquired from the Short Term loan, if any.
- b. Paripassu first charge on existing assets of SIPCOT assisted unit of the Corporation.
- c. Paripassu charge on the existing assets with other FIs/Banks or the units assisted by other FIs/Banks.
- d. Any other fixed assets of the company free from encumbrances.
- e. Collateral security.
- f. Corporate guarantee.
- g. Personal guarantee of the chief promoters.

AMOUNT OF ASSISTANCE:

Minimum amount required for assistance : Rs.25.00 lakhs.

Maximum assistance : Rs.10.00 Crores.

PERIOD OF LOAN : Maximum period of 2 years.

PROMOTERS CONTRIBUTION : 25%.

RATE OF INTEREST : 'A' Category : 18% exclusive of interest tax.

'B' Category : 18.5% "

II. MODIFICATION OF COLLATERAL SECURITY FOR LEASING SCHEMES

The Board of SIPCOT at its meeting held on 27.5.98 noted that leasing scheme had been extended only to existing and profit making companies with good credit report. The Board approved the ^{following} revision proposed in respect of the collateral security to ~~the extent of 50% of the leased amount~~ and ^{also} ~~approved the credit rating systems (Ref. Annexure).~~

REVISION PROPOSED HAS BEEN APPROVED. (LEASE FINANCE)

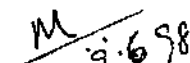
1. Collateral security or charge on the fixed assets of the Company to the extent of 50% of the lease amount sanctioned would be obtained.
2. Personal guarantee of the Chief Promoter.



MANAGING DIRECTOR.

To
 All GMs
 All HODs
 All POs
 PS to Chairman
 PS to MD
 PS to CE
 PRO
 File copy.


 D.M.


 MGR.


 G.M. (PF, TI & A)

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED
19-A, RUKMANI LAKSHMIPATHY ROAD, EGMORE, CHENNAI - 600 008.

CIRCULAR ..

Circular No.

Dt. 24.6.1998.

**Sub: Term Lending - Policy on Term Loan Assistance
for larger projects**

The Board of SIPCOT at its meeting held on 15.6.98 has decided to introduce a new scheme of term loan assistance to the medium and large scale industrial concerns beyond the limits fixed under IDBI refinance scheme (upto Rs.16.00 crores for larger projects) for setting up of new industrial projects and/or for expansion and diversification. The salient features of the scheme are ^{given at} ~~enclosed~~ in the Annexure.

24/6/98.
D.M.

San
24-16198
A.G.M. (LAS. II)

242 (QUDSIA GANDHI)
MANAGING DIRECTOR.

242 (AFII) 242/6
242 (LASI) 242/6

To

All General Managers
All HODs
Chief Engineer
All RMs & POs
P.S. to Chairman
P.S. to Managing Dir

Initiative of
L. Acim (LAS II) is appreciated; but the policy matter
governing term loans could have been routed thro'
Dum (LAS I) also before putting into CIM (PP2)

GM

TERM LOAN ASSISTANCE FOR LARGER PROJECTS

1. PURPOSE OF THE LOAN:

The loan will be granted to medium and large scale industrial concerns for setting up of new industrial projects and/or for expansion and diversification.

2. ELIGIBILITY CRITERIA FOR AVAILING THE LOAN:

- a. The company should be in operation for at least three years.
- b. The company should have earned net profit for the last two years.
- c. The company should have positive networth.
- d. The company should not be in default to the financial institutions and banks.

3. SECURITY:

The security and guarantees will be taken as required. An exclusive first charge on the assets acquired from the term loan or pari passu first charge on the existing assets with other financial institutions/banks will be ensured. The personal guarantees of the chief promoters will be taken and corporate guarantees of profit making associated companies will be explored. A flexible approach will be adopted on case to case basis.

4. AMOUNT OF ASSISTANCE:

Minimum assistance of Rs.250.00 lakhs and maximum of Rs.1600.00 lakhs. The quantum of assistance will be restricted to the actual requirements of the medium and large scale industries.

5. PERIOD OF LOAN REPAYMENT:

The maximum repayment period of the loan will be 8 years from the date of first disbursement including moratorium upto two years. The loan will be repaid in quarterly instalments. Efforts would be made to fix repayments covering as short period as possible.

6. RATE OF INTEREST:

The rate of interest will be linked to the prevailing IDBI refinance rate with the maximum spread of 2.5%. The interest levied will be collected on quarterly basis. The actual interest rate applicable is determined on an internal assessment of the rating of the applicant company and approval of the Board will be obtained for the same.

7. NORMS:

The norms for the Promoters' Contribution, DER, DSCR and CR would be as under:-

a. Promoters' contribution	: 25% and above
b. Debt Equity Ratio	: Not more than 2.00 : 1.00
c. Debt Service Coverage Ratio	: Not less than 1.50 : 1.00
d. Current Ratio	: Not less than 1.33 : 1.00

8. PENAL INTEREST:

It will be 2.5% p.a. for the defaulted period on the defaulted amount.

9. UP-FRONT FEE:

1% of the amount sanctioned.

10. PROCESSING FEE:

0.25% of the loan sanctioned.

11. GENERAL:

Normative costing will not be the right approach for the projects requiring assistance under the scheme. Hence, SIPCOT would adopt flexible approach in the estimate of project cost, particularly, the cost of building. The estimates submitted by the applicant company certified by a Chartered Engineer/Architect would be taken as basis instead of PWD rates.

12. Disbursement Procedures:

The present disbursement procedures adopted by SIPCOT for payment to machinery suppliers based on Suppliers' Undertaking and Trust Receipts and reimbursement to the company based on the assets created might pose some difficulties in speedier implementation of larger projects.

The systems adopted by All India Financial Institutions like IDBI could be adopted. The disbursement would commence after mobilisation of atleast 50% of the promoters' contribution. 25% of term loan sanction would be released to the applicant company under 'No Lien Account' in the applicant company's bank with the specific instructions to the bank to release the amount only for the creation of fixed assets contemplated in the scheme. Further, disbursements of 25% or more would be released to the bank again after obtaining the utilisation certificate in the proper format and after ascertaining the physical progress made in implementation of the project.

[Signature]
24/6/92
JH

[Signature]
24/6/92
BGM (IAS II)

[Signature]
24/6/92

[Signature]
24/6/92

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED
19-A, RUKMANI LAKSHMIPATHY ROAD, EGMORE, CHENNAI-600 008

CIR. NO.44/98

DATED : 02.11.1998

C I R C U L A R

Sub : Enhancement of Term Loan limit to Partnership firm.


The Board of SIPCOT at its meeting held on 5.10.1998 has enhanced the maximum limit of Term Loan for partnership firm, from the present level of Rs.90.00 Lakhs to Rs.150.00 Lakhs with no change in the existing norms.


GENERAL MANAGER (PF-II & A)

TO

All GMs
All HODs
Internal Audit Dept.
P.S. to Chairman
P.S. to M.D.

For Circulation

Mgr 

A.O (R)

6/11/98

D.H 

A.O (K)

7/11

A.M

5/6/11

--- ---

No. 45/98

Dated: 20.11.98

C I R C U L A R

Officers in Project Appraisal Department

while preparing appraisal memorandum inter-alia furnish credit report of the applicant unit/promoters/promoters interested concern based on the opinion reports received from the Bankers/Financial Institutions.

A specific ^{case} things was brought to my notice wherein the bankers ^{have} ^{has} stated "the firm is enjoying a cash credit of Rs.20 lakhs and the conduct of the account is satisfactory. ~~It is a proprietorship concern and Mr. Suresh V. is the proprietor.~~ The a/c as on 31.3.98 was

classified as Standard and having average means." ~~Whereas~~

dealing officer at SIDPOT which putting up the note
~~The officer concerned dealt with the file has stated that~~

the opinion is good. ^{Such an interpretation by the} ~~This is not correct and it would~~

^{& end up in the management making}
~~misleading.~~

^{may or lead to wrong decisions.}
~~Since credit reports received from bankers or other~~

financial institutions are some times 'Non-committal' in

~~nature and hold no responsibility to the reports, Such~~

reports cannot be construed ^{to be} as 'Good' or 'Bad'. It is

therefore, required to categorise such reports as non-

adverse or adverse as the case may be.

Hence, the officers concerned are advised to analyse the reports obtained from the Bankers/Financial Institutions ^{more} objectively and indicate the relevant details ^{concern} with the opinion as 'satisfactory' or 'unsatisfactory' as contained in the report.

Only
GM (PF-1)

[Signature]
M.D.

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LIMITED
19-A, Rukmani Lakhmipathy Road, Egmore, Chennai-600 008

Cir.No.5/99

DATED :10.02.1999

CIRCULAR

Sub : Appraisal of projects - Building Cost -
 Estimation of rates of construction of
 building - Plinth Area rates - Revision
 of rates - Reg.

It has been decided to revise the plinth area rates to be adopted for various types of buildings as detailed below :

Sl.No.	Description	Revised rates			
		Chennai, Madurai and Coimbatore		Mofussil	
		LBW	FS	LBW	FS
(In Rupees / sq.ft.)					
1.	Non-residential Building				
a.	(Factory Building with RCC roof)				
i.	Ground floor	415	520	340	415
ii.	First Floor	360	470	295	375
2.	Hospital Building / Hotel (RCC roof)				
i.	Ground Floor	445	625	375	475
ii.	First & subsequent floors	400	575	325	445
3.	Factory Building/Godown with ACC Sheet roof with 14' height (with steel trusses & purlins)				
i.	With RCC Column		315	285	
ii.	With LBW		310	280	

- i. The plinth area rates indicated for non-residential buildings (factory building, administrative block, godown, laboratory, etc.) with RCC roof and for hospital / hotels have been fixed after taking into account the provision for internal sanitary and water supply and electrical installations and also for external sanitary water supply and electrical installations.
- ii. Plinth area rates indicated for AC sheet roof construction may be followed for factory hall, godown, store room, etc. for roof heights of not more than 14'. For construction with roof heights of more than 14', the rate may be suitably revised by giving extra provision not exceeding 25% of the rate indicated depending upon the height of the roof.
- iii. The plinth area rates are inclusive of provisions for mosaic flooring and glazed tiles for toilets in respect of hospitals/ hotel buildings.
- iv. For construction within CMDA limits and 8 Km. belt area around Coimbatore and Madurai, the plinth area rates applicable for Chennai City, Coimbatore and Madurai respectively may be followed.
- v. For works in Nilgiris District and other hill stations, additional 25% extra over rates fixed for mofussil area may be considered.

It may be noted that the revised rates represent only the upper limit upto which the cost can be allowed. However, the Appraisal Officers may see that while estimating building cost, provision is made on a case to case basis depending upon the estimates, type of construction, material of construction, proximity to the availability of building materials like brick, sand, etc. and other relevant information furnished by the entrepreneurs.

For special type of buildings separate building rates may be adopted depending on the requirement based on Engineers Estimates.

The revised rates shall be made applicable for loan proposals to be sanctioned from 1.1.1999.


for MANAGING DIRECTOR

TO

All GMs
All HODs
All Officers in Project Finance

Copy to :

MD's Table
PS to Chairman
PS to MD
Internal Audit

SIPCOT

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LIMITED
19-A, Rukmani Lakshmi Pathy Road, Egmore, Chennai - 600 008.

Cir No. 21/99

Dated : 26.04.1999

CIRCULAR

Sub: Considering Term Loan Assistance
 for units set up on Leasehold Land

Ref.

The Board of SIPCOT at its meeting held on 24.03.1999 while considering the note on ~~considered the Note dt.5.3.99 on~~ ^{DM} considering the Term Loan assistance for units set up on leasehold lands ^{he} ~~and~~ decided that SIPCOT could continue with the existing practice of extending Term Loan assistance for projects set up on leasehold lands / premises as earlier approved ^{(Ref. Annexure I & II).} The Board further directed that all leasehold premises should also be registered.

8MT
 23/4/99..


 MANAGING DIRECTOR

2/2


To

All GMs
 All HODs
 All Officers in Las. I & LAS.II Depts.

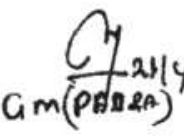
Copy to:

MD's Table
 PS to Chairman
 PS to M.D.
 Internal Audit

8MT
 13/4/99
 A.G.M. (LAS.II)

CH 13/4
 G.M. (PF.II & A) 

8MT
 23/4/99
 A.G.M. (LAS.II)

CH 23/4
 G.M. (PF.II & A) 

ANNEXURE - I

POLICY DECISION REGARDING ASSISTANCE FOR THE UNITS TO BE SET UP
ON LEASEHOLD LAND (ITEM NO. 16, MINUTES OF THE BOARD MEETING HELD
ON 14.06.1991)

SIPCOT could offer assistance for units to be set up on leasehold land belonging to one of the promoters/directors provided, the said land is offered as collateral security for the loan sanctioned to the company / unit subject to the following conditions:

- a. The lease should be for a minimum period of 30 years and should be registered.
- b. The land owned by the Lessor also should be offered as collateral security to SIPCOT.
- c. The Lessor should agree that he will have no claim or right whatsoever to proceed against the securities that are mortgaged by the Lessee to SIPCOT.
- d. SIPCOT shall have the right, in the event of the Lessee committing default in meeting the obligations, to comply with the requirements of the lease and also the right to transfer the land with the leasehold interest to any prospective purchaser.
- e. The Lessor should also give a declaration that, during the subsistence of the loan, he will not require the land for any of his use.
- f. The Lessor should concur that in the event of assets are being sold, he shall have no objection for sale of the land offered as collateral security and SIPCOT's executing necessary transfer deed documents in favour of the purchaser.
- g. The Lessor should have no objection to the Lessee's obtaining assistance from SIPCOT / Bank and creating necessary mortgages as required by the institutions.

- h. There should be an unconditional / irrevocable obligation on the part of the Lessee to mortgage the leasehold rights for such lands in favour of SIPCOT.
- i. If per chance lands to be taken on lease by the company / unit, come within purview of the provisions of the Tamil Nadu Urban Land (Ceiling & Regulation) Act, 1978, then the Lessor will have to comply with all the relevant provisions of the above Act, before the Lease Deed is executed.

The Chairman & Managing Director was authorised to impose such other conditions in the Lease Deed, as may be necessary, in any particular case, to safeguard the interest of SIPCOT.

8mT
22/4/99

ANNEXURE II

POLICY ON OBTAINING A LEASE DEED IN RESPECT OF ASSISTANCE
CONSIDERED FOR INSTALLATION OF PLANT & MACHINERY ON A LEASEHOLD
PREMISES (CIRCULAR NO.28/97, DT.4.4.97)

1. Where the Building to be taken on lease is situated within the Corporation / Municipal limits or where the Tamilnadu Buildings (Lease and Rent Control) Act, 1960, is made applicable, then the loanee will have to produce unregistered lease deed for 11 months with an option to renew for another 11 months for a total period of 9 years or till the loan is cleared. In respect of other areas, the loanee will have to produce a registered lease deed for five years with an option to renew for another 5 years.
2. The loanee will have to produce a No Objection Letter from the landlord to house the plant & machinery in the leasehold premises and to create a mortgage over the leasehold right in favour of SIFCO for the loan sanctioned.

8mt
23/4/99

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED
19-A, Rukmani Lakshimipathy Road, Egmore, Chennai-600 008.

CIRCULAR

No.24/1999

Issued Date: 04.05.1999

Re-issued

Date: 11.02.2021

Sub: SUR – Posting of Managers to safeguard the assets
taken possession by SIPCOT – Duties and responsibilities.

Ref: Proceedings No.E3/Misc/23/99 dt.8.4.99 of M.D. SIPCOT.

Pursuant to the orders issued in the proceedings cited the Managers who are placed incharge of the sick units which have been taken possession by SIPCOT shall discharge the following duties and report to the concerned General Managers through the Deputy General Manager (S.U.R.).

1. They should obtain from the Project Officers, the details of fixed assets of each unit as on the date of handing over possession of the assets by the Project Officer to the concerned Security Agency. After personally checking the assets and send a report in compliance. They will bring ~~to the Head Office~~ to the notice ^{of} the Head Office any discrepancy immediately.
2. The name of the Security Agency, period of contract, no. of Security Personnel approved for each unit should also be obtained from the Project Officers and the details updated from time to time.
3. They shall maintain asset register for each of the unit which shall be verified by the concerned department officials DGM(SUR) on their visit to their area.
4. They should conduct periodical surprise check of each unit to ensure that the no. of security Personnel approved for each unit are actually guarding the assets and verify the assets are in ~~action~~ ^{fact}. If not, a report should be immediately sent to Head Office for further action.

5. In case of any burglary it should be immediately reported to police and a report sent to head office simultaneously. Similarly, fire accidents, riots etc. If any which could cause damage to the attached property should be watched and reported to head office. Regular contact with PO's should be maintained to get first hand information on any untoward incident.
6. They should obtain prior approval of the respective General Managers for the monthly tour programme along with mode of travel for inspecting the assets of the units taken over possession by SIPCOT.

Northern Region:

PF-I Department

1)	Zuzu Wires Ltd.	SIPCOT Complex, Hosur
2)	Indag Products Ltd.	SIPCOT Complex, Cuddalore
3)	Venkat Threads Ltd.	Coimbatore
4)	Vastra Apparels	MEPZ, Madras
5)	Rim Polymers Pvt. Ltd.	SIPCOTComplex, Gummidipoondi
6)	Ajantha Forgings Pvt. Ltd.	Ranipet
7)	Kanchi Prints	
8)	Unigold Jewellery Ltd.	Chennai
9)	Pamban Oil Mills Ltd.	Kancheepuram
10)	Raghavendra Solvent Extractions Ltd.	Villupuram
11)	Karthik Rexine	Ranipet

PF-II Department

1)	Banu Moulds & Dyes	Chengalpet Taluk
2)	Bharatwaj Electro Component	SIPCOT Complex, Gummidipoondi
3)	Hotel Kalinga International Ltd.	Salem
4)	Monumarax Granites	Panchethi Village, Ponneri

5)	Sears Electronics	Perungudi, Chennai
6)	Tekform Engineering	SIPCOT Complex, Gummidipoondi
7)	Excel Offset	SIPCOT Complex, Gummidipoondi
8)	Kanchi Moulded Packaging	SIPCOT Complex, Gummidipoondi
9)	Nuage Packagings Pvt. Ltd.	SIPCOT Complex, Gummidipoondi
10)	Minjur Shell Castings Pvt. Ltd.	SIPCOT Complex, Gummidipoondi
11)	Sakthi Malleables	Padalam, Kancheepuram
12)	Balasubramaniam Castings Pvt. Ltd.	Belagondapalli, Dharmapuri
13)	Crescent Ceramics Pvt. Ltd.	Thandalancherry, Gummidipoondi
14)	Elcot Vistas Ltd.	Veerapuram, Chengalpet

Southern Region

PF-I Department

1)	Chola Chemicals Ltd.	Kumbakonam
2)	Krish Brown Weldings Pvt. Ltd.	Mathen, Pudukottai
3)	Sasikala Oil & Extractions Pvt. Ltd.	Lalkudi, Trichy
4)	Kanniyur Paper & Boards	Mannargudi

PF-II Department

1)	Kay Vee Cast Resin Transformers	SIPCOT Complex, Pudukottai
2)	Olive Conveyer	Manamadurai
3)	Pandiyan Electronics	Tirumangalam, Madurai
4)	SE Alloy & Steel Pvt. Ltd.	Thirupallai Taluk, Sivagangai
5)	Tufex Leather & Allied Industries Pvt. Ltd.	Vilampatti, Dindigul
6)	Valla Castings	Vadamadurai, Dindigul
7)	NEPC MICON India Ltd.	Perungudi, Tirunelveli
8)	F.C. Alloy Steels	Pudukottai

They should sent the monthly periodical report in the prescribed form enclosed on or before the fifth of following month. The prescribed certificate should also be furnished every month along with the above report.

(This circular is re-issued).

Sd/- xxx
MANAGING DIRECTOR

Encl.: Form

To

1. Thiru. P. Kuppusamy, Manager (South), Project Officer, Tuticorin
2. Thiru. V. Kumarasamy, Manager (North), Project Officer, Gummidipoondi.

Copy to:

All Project Officers () They are instructed to furnish the details
() to the concerned Manager immediately.

P.S. to M.D.

Regional Manager (Projects) i/c.


Regional Manager (DGM) Tuticorin

Area Development Department.

Establishment Section

Special Tahsildar (Recovery)

//FORWARDED BY ORDER//


MANAGING DIRECTOR

9/20

MONTHLY REPORT ON UNITS UNDER THE POSSESSION OF SIPOOT

REGION : _____

MONTH : _____

Sl. No.	Name of the Unit & Location	Date of taking Possession of Unit	Name of Security Agency	Period of contract of Security Agency	No. of Security Personnel approved	Date and time of Inspn.	No. of Personnel actually employed as verified this month	Burglary or Fire Accident if any during this month	Date of report to Police / Head office	Any damage to the property due to any other reasons	Any encroachment noticed
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)

MANAGER.

NOTE : This report should be sent in respect of all units inspected during the period under report.

Cir.No. 20 /99

Dt. .9.99

CIRCULAR

Sub: Technology Upgradation Fund Scheme (TUF) for
Textile and Jute Industries in SSI sectors -
SIDBI Refinance - reg.

The Board at its meeting held on 28.7.99 recorded the
SIDBI Circular No. F 1/99 - 2000 dt. 28.4.99 and approved the
introduction of Technology Upgradation Scheme(TUF) Scheme for SSI
unit by SIPCOT for Textile and jute Industries and the Refinance
of SIDBI TUF scheme be implemented for SSI units in SIPCOT from
1.8.99.

The salient features of the SIDBI Refinance under TUF
Scheme are given below:

1. OBJECTIVES:

The Scheme would provide encouragement to textile
industrial units in the small scale sector for taking up
Technology Upgradation and modernise their production facilities.

2. Eligible Institution:

State Financial Corporation, State Industrial
Development Corporation, Scheduled Commercial Banks, State
Co-operative Bank and Scheduled Urban Co-operative Bank are
eligible to avail refinance from SIDBI.

3. Eligible Borrowers:

Proprietorships, Partnership, Co-operative Societies, Private and Public Limited Companies are eligible to avail loan from eligible financial institutions.

4. Type of Units:

New units, existing units going for expansion, modernisation with the state of the art technology and new units set up their entire facilities only with appropriate eligible technology.

5. Mode of Assistance:

By way of Rupee Term Loan.

6. Project Cost:

The Project Cost coverage under the scheme shall not exceed Rs.100.00 lakhs.

7. Promoter Contribution:

Minimum 20% of the Project Cost.

8. Debt Equity Ratio:

DER for the unit as a whole shall not be more than 2:1.

9. Amount of Loan/ Refinance:

SIDBI would provide 100% refinance in respect of Rupee Term Loan provided by SFC, SIDC/ Banks.


10. Rate of Interest:

SFC, SIDC and Banks would avail refinance from SIDBI with a interest rate of 12% p.a., exclusive of interest tax.

11. Security:


Exclusive charge over assets purchased out of the loan, first/ second charge on the existing fixed assets and other collateral security as may be deemed necessary.

The Technology Upgradation Fund Scheme would envisage interest incentive of five percentage points on the loan availed of by Small Scale units from eligible primary lending institutions for undertaking Technology Upgradation/modernisation. New units being set up with a technology as per guidelines of the scheme would also eligible for the interest incentives.

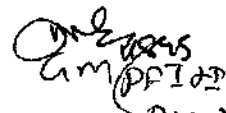

QUDSIA GANDHI,
MANAGING DIRECTOR.

To

All General Managers,
All HODs,
PS to Chairman,
PS to MD.


mgr


Cm (PFI/DA)
y2


Cm (PFI/DA)
y2 (PFI/DA)

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED
19-A, Rukmani Lakshmipathy Road, Egmore, Chennai – 600 008.

Cir. No. 49 / 99

Dated : -09-1999.

CIRCULAR

**SUB : Appraisal of Projects – Building cost – Estimation of rates of construction of
 Building – Plinth area rates – Revision of rates – reg.**

It has been decided to revise the plinth area rates to be adopted for various types of buildings as detailed below :

Sl.No.	Description	Revised Rates			
		Chennai, Madurai and Coimbatore		Mofussil	
		LBW	FS	LBW	FS

(In Rs. / Sq.Mtrs)

1.	Non-residential Building : (Factory Building with RCC roof)				
a.	Ground Floor	4675	5870	3890	4720
b.	First Floor	4065	5310	3340	4285
2.	Hospital Building / Hotel (RCC Roof)				
a.	Ground Floor	5040	7065	4295	5620
b.	First and Subsequent floors	4485	6510	3720	5090
3.	Factory Building / Godown with ACC Sheet roof with 14" height (with steel trusses & Purlins)				
a.	With RCC Column		3613	3285	
b.	With LBW		3465	3150	

- i. The plinth area rates indicated for non-residential buildings (Factory building, administrative block, godown, laboratory, etc.) with RCC roof and for hospitals / hotels have been fixed after taking into account the provision for internal sanitary and water supply and electrical installations and also for external sanitary water supply and electrical installations.
- ii. Plinth area rates indicated for AC Sheet roof construction may be followed for factory hall, godown, store room etc., for roof heights of not more than 14". For construction with roof heights of more than 14", the rate may be suitably revised by giving extra provision not exceeding 25% of the rate indicated depending upon the height of the roof.
- iii. The plinth area rates are inclusive of provision for mosaic flooring and glazed tiles for toilets in respect of hospitals / hotel buildings.
- iv. For construction within CMDA limits and 8 Km., belt area around Coimbatore and Madurai, the plinth area rates applicable for Chennai City, Coimbatore and Madurai respectively may be followed.
- v. For works in Nilgiri District and other hill stations, additional 25% extra over the rates fixed for mofussil area may be considered.

It may be noted that the rates now revised by the Corporation represent only the upper limit upto which the cost can be allowed. However, the Appraisal Officers may ensure that while estimating building cost, provision is made on a case to case basis depending upon the estimates, type of construction, material of construction, proximity to the availability of building materials like brick, sand, height of construction, type of industry, etc., and other relevant information as furnished by the entrepreneurs.

For special type of buildings, separate building rates may be adopted on merits depending upon the requirement based on Engineer's Estimates etc.

The revised rates shall be made applicable for loan proposals to be sanctioned from 1.10.1999.


Managing Director.

To

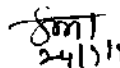
All GMs
All HODs
All Officers in LAS Department.

Copy to :

MD's Table
PS to Chairman
PS to MD
Internal Audit.

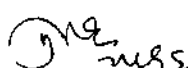
Dum(LAS-I) / Dum(LAS-II)

Express
In Sg + pl.


24/1/99
AGM(LAS-II)


24/1/99
DGM(LAS-I)


24/1/99
GM(PF-II)


24/1/99
GM(PF-I)


24/1/99
Am


24/1/99
D.M.

Circular No. 2/2000

Dt. 22.1.2000

CIRCULAR

Sub: IDBI Refinance Scheme for Textile
Industry under Technology Upgradation
Fund (RTUFS) - reg.

The Board at its meeting held 31.12.99 recorded the IDBI Circular No. FI. 11/99-2000 DT.1.11.99 and approved the adoption of the refinance scheme of Technology Upgradation Fund Scheme (RTUFS) under IDBI Scheme for adoption in SIPCOT to assist the units in Textile sectors.

The salient features of the refinance under Technology Upgradation Scheme are given below:-

1. **ELIGIBLE INSTITUTIONS:**

State Financial Corporations (SFC's) and State Industrial Development Corporation (SIDC's).

2. **ELIGIBLE BORROWERS:**

Co-operative societies / private and public limited companies.

3 **TYPE OF UNITS:**

- a) existing units with or without expansion and new units.
- b) existing units can modernise and / or expand with the State of the art technology.

- c) new units must set up their entire facilities only with the appropriate eligible technology.
- d) a unit can undertake one or more activities as per scheme only in an integral manner. (weaving/hoisery and garment manufacturers or weaving/knitting and processing or garment manufactures and processing will be considered as integral activities).

RAJUD910

4. Technology upgradation would ordinarily mean induction of State of the art or near State of the art technology.

5. ELIGIBLE MACHINERY:

Installation of machinery in a new unit or in an existing unit by way of replacement of existing machinery and/or expansion will be eligible for RTUF Scheme as per Sec.4 of TUFs issued by Govt. of India. Machinery with technology levels lower than that specified will not be permitted for funding under RTUFS.

6. MODE OF ASSISTANCE:

By way of rupee term loan.

7. PROJECT COST:

The cost of the project under the scheme shall not exceed Rs.1200.00 lakhs.

8. PROMOTER'S CONTRIBUTION:

Minimum 20 % of the project cost.

9. DEBT EQUITY RATIO:

DER for the unit as a whole shall not be more than 2:1

10. AMOUNT OF REFINANCE:

Assistance under the scheme will be need based (with in the project ceiling of Rs.1200 lakhs). IDBI would provide refinance upto to 80% of refinance where term loan limits prescribed by IDBI under its normal refinance scheme.

11. RATE OF INTEREST:

Rate of interest on refinance will be 13.5 % . The rate is based on current lending rate prescribed by IDBI and is subject to change. Reimbursement of 5 % point of interest incentive shall be made available to the units from Government of India by IDBI through the concerned SFC's/SIDC's.

12. SECURITY:

First charge over assets purchased out of the loan. Additional security, such as personal/other guarantee and/or pledge of promoters share holding might be stipulated by the lender, if considered necessary.

13. PERIOD OF REPAYMENT:

Period of repayment will be fixed based on the repaying capacity of borrowing concern but not normally exceeding 8 years, including moratorium up to 2 years.

14. UPFRONT FEE:

1 % on each disbursement of refinance.

: 4 :

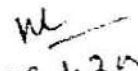
The Technology Upgradation Fund Scheme would envisage interest incentive of five percentage points on the loan availed of by the units from eligible primary lending institutions for undertaking Technology Upgradation/modernisation. New units being set up with a Technology as per guidelines of the scheme would also eligible for the interest incentives.




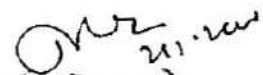
QUDSIA GANDHI,
MANAGING DIRECTOR.

TO

All General Managers,
All HODs,
Superintending Engineer,
PS to CH,
PS to MD.


19.1.2000
Manager


19/1/2000
GM(PF.II&A).


21.1.2000
Gm(PF.II&A)

DRAFT CIRCULAR:

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED
19 A, RUKMANI LAKSHMIPATHY ROAD, EGMOE, CHENNAI - 600 008.

Circular No. : 5 /2000

Dt. .1.2000

CIRCULAR

Sub: Industries trend and prospects - reg.

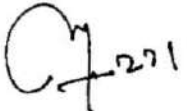

In the Board meeting held on 31.12.99, the Board expressed that the Project Finance Department dealing term loan, incentives and follow up activities should interact with the borrowers continuously and find out the latest trend of the industry scenario. The Project Finance Department should also obtain annual accounts of the assisted units and analyse the industrial trend and prospect. The Project Finance Department shall also analyse the sector wise industrial trend and prospects and submit ~~the~~ report to Managing Director.


QUDSIA GANDHI,
MANAGING DIRECTOR.

To

All General Managers,
All HODs,
PS to CH,
PS to MD.


26.1.2000
Manager


G.M.(PF.II&A)


STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LTD.
19-A, RUKMANI LAKSHMIPATHY ROAD, EGMORE, CHENNAI – 600 008.

CIRCULAR

Circular No. 17/2000

Date: 10.07.2000

Sub: SIDBI Refinance Scheme for Tannery
Modernisation (RTM) – Reg.

The Board of SIPCOT at its meeting held on 21.06.2000 recorded the SIDBI Circular No.FI.22/1999-2000, dt.09.03.2000 and gave permission to operate "The Tannery Modernisation" (RTM) Scheme. The salient features of refinance scheme are given at Annexure – I.

(QUDSIA GANDHI)
MANAGING DIRECTOR

ENCL : as above

/FORWARDED BY ORDER/


DEPUTY GENERAL MANAGER (LAS)

To

All General Managers
All HODs
All Officers of PF & SUR Depts.
P.S. to Chairperson
P.S. to M.D.

Refinance Scheme for Tannery Modernisation (RTM)

1. Objective

To support existing tanneries for undertaking modernisation programme for positive environmental impact, becoming competitive, effecting better capacity utilisation, achieving productivity gains and reducing wastage, etc.

2. Scope of the Scheme

The proposed modernisation programme / project to be undertaken by the beneficiary tannery unit should lead to :

- (i) demonstrable increase in unit value realisation and / or
- (ii) increase in production capacities and / or
- (iii) better compliance of pollution control norms.

3. Eligible Institutions

State Financial Corporations, State Industrial Development Corporations, Scheduled Commercial banks, State Co-operative banks and Scheduled Urban Co-operative banks.

4. Eligible Borrowers

Sole Proprietorships, Partnerships, Co-operative Societies, Private and Public Limited Companies.

5. Type of Units

The existing tanneries requiring modernisation can be classified as;

- (i) the small and tiny sector tanneries with production capacities less than 1000 skins and 250 hide per day;
- (ii) the small and medium scale tanneries within the production capacity of in the range of 1000-2000 skins and 250-500 hides per day; and
- (iii) the medium and large scale tanneries whose production capacities exceed 2000 skins or 500 hides per day.

Refinance Scheme for Tannery Modernisation**6. Eligibility Criteria**

As per the Scheme circulated by Government of India, "Modernisation" will include measures for

- technology upgradation and productivity improvement
- machinery / facility upgradation and
- at the individual tannery stage, waste treatment technologies including primary treatment of waste.

Units intending to avail assistance should be in commercial operation for at least 3 years and should have made profits in the preceding two years.

The units should not be in default to any banks or financial institutions.

Financial assistance under the Scheme shall be available only for such projects in which the loan by the Bank / Financial Institution has been sanctioned on or after the date of notifying the Scheme (i.e. January 18, 2000). In the case of self-financed modernisation undertaken by the units, financial assistance under this Scheme shall be payable only in such projects where the order for purchase of machinery has been placed on or after the date of notifying this Scheme and subject to necessary documents being filed while making the application for assistance under the scheme.

The list of activities to be covered under the modernisation programme would be as follows:

- (i) Replacement of pit technologies
- (ii) Installation of controls and float recycles
- (iii) Lay out and re-organisation of tanneries
- (iv) Installation of instrument process control systems
- (v) Acquiring in-house chrome recovery and reuse facilities
- (vi) Upgrading of finishing facilities
- (vii) Non-conventional energy applications
- (viii) Creation of in-house R&D and testing facilities
- (ix) Automation of process and control systems
- (x) Replacement of obsolete machines
- (xi) Any other activity as decided by the Steering Committee constituted by GOI under the scheme.

Existing tannery units have option to go for single or multiple activities.

Refinance Scheme for Tannery Modernisation

7. Quantum and Nature of Assistance

The financial assistance under the Scheme will be limited to 30% of cost of plant and machinery for small scale units and 20 per cent for non-small scale units, subject to ceiling of Rs.28 lakh and Rs.35 lakh, respectively.

For the purpose of this Scheme, the definition of small scale industry would be the same as notified by the Government on the date of sanction of the project.

The cost of machines will include:

- Bill value of machines
- Sales and excise tax
- Transportation and transit insurance cost and
- Custom duty.

Installation cost and expenses for foundation and civil construction will not be included for the above purposes.

8. Terms of Assistance

The assistance would be available on the following terms :

- An agreement will have to be executed prior to disbursement;
- Assistance will be released after arrival of machines at site and at every stage it will be limited to 20 per cent or 30 per cent of the cost of the machines, as the case may be;
- Industrial units will be required to submit operational and performance details upto two years from the date of completion to the designated agency;
- Assistance released would be adjusted towards loan component earmarked for the machines required for the modernisation programme.

9. Mode of assistance

By way of ~~pipe~~ term loan from PLIs

Refinance Scheme for Tannery Modernisation

10. Promoters' contribution

As required to arrive at the applicable Debt Equity Ratio (DER) based on the amount of the loan.

11. Debt Equity Ratio

- i) For loans upto Rs.10 lakh - Upto 3 : 1
- ii) For loans above Rs.10 lakh - Upto 2 : 1

The proposed financial assistance from Government of India would not be reckoned for the purposes of promoters' contribution.

12. Amount of Loan / Refinance

Assistance under the scheme will be need based. Refinance to the extent of 100% would be available to PLIs. However, availment of refinance would not be a pre-condition for claiming governmental financial assistance under RTM.

13. Terms of Refinance Assistance

a) Rate of interest

Amount of assistance in respect of projects eligible for assistance under the scheme	Interest on term loan % p.a. (excluding interest tax)	Interest on Refinance % p.a.
Upto Rs.2 lakh	Not to exceed 13.5	10.5
Over Rs.2 lakh	As may be decided by PLI	12

The above rates are based on current lending rates prescribed by SIDBI. As and when the rates are revised by SIDBI, the rates of interest on refinance would also be revised.

The financial assistance sanctioned by the GOI, when received, may be adjusted by PLIs against their term loan component earmarked for machines required for the modernisation programme. The PLIs would be required to repay to SIDBI corresponding refinance instalments immediately on adjustment of the borrowers' account.

b) Security

Exclusive charge over assets purchased out of the loan, first/second charge on existing fixed assets and other collateral security, as may be deemed necessary.

Refinance Scheme for Tannery Modernisation**c) Period of repayment**

Period of repayment will be fixed based on the repaying capacity of the borrowing concern, but not to exceed 8 years including moratorium of 2 years.

d) Working capital requirements

The unit should arrange with its bankers for need based working capital / additional working capital facility.

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED
19-A, Rukmani Lakshmipathy Road, Egmore, Chennai – 600 008.

Circular No.9/2001

Dated : 14.01.2001

CIRCULAR

Sub : Recovery Monitoring Committee – Constituted – Orders issued

—

In continuation of the constitution of the Recovery Monitoring Committee in Circular No.PF/SUR/Misc/2001 dated 9.1.2001, the following further instructions are issued to help the PF & SUR Department in its efforts for effective management of Non-performing Assets.

1. The Recovery Monitoring Committee shall meet on the last Monday of every month at 3.00 p.m.
2. The Committee shall discuss in detail the ways and means to manage and reduce NPAs.
3. The Committee shall periodically examine the existing systems and procedures and suggest modifications wherever required.
4. The One Time Settlement proposals should be routed through the Recovery Monitoring Committee and the Committee shall examine the proposals in detail and give its recommendations.
5. The Committee shall set specific annual and individual targets and review the performance of the officers with reference to the recovery of the loans and the targets set.

After every Meeting, the Committee shall submit the minutes of the deliberations to the M.D. and the Chairperson.


16/2/2001.
MANAGING DIRECTOR



STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED
19-A, Rukmani Lakshimipathy Road, Egmore, Chennai-600 008.

CIRCULAR

No.23/2001

Issued Date: 30.04.2001

Re-issued

Date: 11.02.2021

Sub: Rollover Facility – Reduction in Interest Rate for
existing Term Loan cases – Extension of the
Cut-off date – reg.

Ref: Circular no. 23/2000 dt-18.8.2000.

In the Circular under reference the Rollover facility scheme for reduction in interest rate for existing Term Loan cases was extended by fixing the cut off date as 31.03.2001.

On a review, it was found that only about 10% of the assisted units had availed this facility. It is considered that if the facility extended for a further period, more units will make use the facility. In view of the above, the period for availing the Rollover facility for reduction of interest rate 16% is extended to 30.09.2001. The Officers concerned should ensure that the Rollover facility scheme is extended to all eligible units on or before 30.09.2001.

(This circular is re-issued).

Sd/- xxx
(K. DEENABANDU)
MANAGING DIRECTOR

To
All General Managers
All HODs and Officers in Project Finance Department.

Copy to:
P.S. to CHAIRPERSON
P.S. TO M.D.

//FORWARDED BY ORDER//

MANAGING DIRECTOR

14/22

No. 4/2002

Dt.27.2.2002

CIRCULAR

Sub: Provision of Security - Procedure - Payment of wages to Security personnel as per minimum wages Act – reg.

**Ref : 1. Proceeding No.E3/SUR/Security/2001 dt.14.9.01.
2. GM(PF&SUR) Lr.No.PF/SUR/Security/2002 dt.17.1.02**

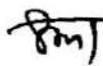
Our CMD has approved the following procedure on security provision - within the complex by Civil Wing / Area Development Dept and for sick units outside the complex by SUR Dept.

1. For the general security arrangement within the complexes CMD's approval has to be obtained through SE / GM(P&D) keeping in mind the overall cost and quality of service expected in that particular complex.
2. In the case of possession taken cases outside SIPCOT complexes , SUR Dept. would obtain suitable orders of CMD on provision of security.

RMs/POs are directed to ensure the compliance of the terms of the security arrangement, particularly condition No.20 – verify the documents to the effect that the security personnel are given wages as per Minimum Wages Act, 1948 for the Contract Labour, before release of payment to the Security Agency.


GENERAL MANAGER (PF&SUR)

To
G.M(P&D)
G.M(A&CF)
G.M(P)
G.M(A&LA)
S.E
SRM/RM
All Project Officers


27/2

**STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LTD.,
19-A, Rukmani Lakshmiipathy Road, Egmore, Chennai 600 008**

No. 50/2002

Dt. 4.12.2002

CIRCULAR

Sub: Recovery Monitoring Committee – Reconstituted and Functions and Responsibilities of the Committee reiterated - Orders issued.

p 1 - Ref: 1) Circular No. PF / SUR / Misc./2001, dt. 9.1.2001
p 3 - 2) Circular No. 9 / 2001, dt. 14.1.2001

In the Circular first cited, the Recovery Monitoring Committee was constituted with the following Officers as members to review the recovery of term loan dues from the assisted units periodically and to give suggestions on policy matters to the management wherever necessary.

- 1) Thiru T. Meenakshisundaram, GM (P & D)
- 2) Thiru R. Rajamanickam, GM (A & CF)
- 3) Thiru S.M. Kamaraju, GM (PF & SUR) (now retired)

2) In the circular second cited, orders were issued defining the functions and responsibilities of the Committee as under:

- 1) The Recovery Monitoring Committee shall meet on the last Monday of every month at 3.00 p.m.
- 2) The Committee shall discuss in detail the ways and means to manage and reduce NPAs.
- 3) The Committee shall periodically examine the existing systems and procedures and suggest modifications wherever required.
- 4) The one time settlement proposals should be routed through the Recovery Monitoring Committee and the Committee shall examine the proposals in detail and give its recommendations.
- 5) The Committee shall set specific annual and individual targets and review the performance of the officers with reference to the recovery of the loans and the targets set.

3) However, it is noticed that since its formation, the Committee has been considering mainly the OTS and Reschedulement proposals. Though OTS is very critical at this ^{fracture} junction and has to be forced on irregular accounts, the Committee is required to concentrate more on other aspects also to improve the recovery. In the absence of term lending activity, the viability of SIPCOT now depends mainly on effective marketing of plots and speedy recovery of irregular accounts and hence more attention needs to be paid in these two areas. The Committee members are, therefore, advised to concentrate on all aspects covered in the circular second cited and keep the management informed of the measures to be taken to improve the recovery. *The committee shall meet at least once a month to for considering other aspects other than OTS.*

4) After every meeting, the Committee shall submit the minutes of the deliberations to CMD. Based on the report / suggestion of the Committee, the CMD shall take up critical review of individual accounts.

5) Consequent on the retirement of Thiru S.M. Kamaraju, General Manager (PF & SUR) from service on 30.11.2002 a.n. on superannuation, the Recovery Monitoring Committee is reconstituted with the following Officers as members:

- 1) Thiru T. Meenakshisundaram, General Manager (D)
- 2) Thiru R. Rajamanickam, General Manager (Finance)
- 3) Thiru S. Balasubramanian, DGM, FU & R-I
- 4) Thiru M. Tamilmani, DGM, FU & R-II

Thiru S. Balasubramanian, DGM will be the convenor of the Committee.

22 *4/12/02*
CHAIRMAN & MANAGING DIRECTOR

To

The Officers concerned

Copy to:

All Officers in FU & R-I & II Depts.
PS to CMD

22 *3/12/02*
Myn 12 / GM (12/02)

22
21/12/02

Draft circular for approval

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LTD.

19-A, Rukmani Lakshmipathy Road, Egmore, Chennai – 600 008

Cir No 20 /2003

Dated 5.5.2003.

CIRCULAR

Sub: One Time Settlement of Term Loan Accounts by
Assisted units – Extension of time – Delegation of
Powers to CMD – Reg.

Ref: Minutes of the Board Meeting held on 25.4.2003

The Board of Directors of SIPCOT at their Meeting held on 25.4.2003 delegated the powers to CMD to extend the OTS period upto a total of 12 months from the date of sanction of OTS by the Board. The OTS amount would carry simple interest at document rate beyond the initial period of 90 days. For further extension of time, proposals may be brought before the Board and the Board would decide on the extension based on the merits of each case.


(T.R. SRINIVASAN)
CHAIRMAN & MANAGING DIRECTOR

To

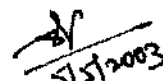
All Officers in F&R Dept. - By circulation thro' the HODs

Copy to:

All HODs

PS to CMD


25/5/03
ATM


5/5/2003
DGM(F&R)

DFA

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LTD.
19-A, Rukmani Lakshmipathy Road, Egmore, Chennai-600 008.

No 20 /2005

Date: 08.2005

CIRCULAR

Sub: Recovery Monitoring Committee – Reconstituted
and Functions and Responsibilities of the Committee
reiterated – Orders issued

- Ref: 1 Circular No PF/SUR/Misc/2001, dt.9 1 2001
2 Circular No 9/2001, dt. 14 01.2001.
3. Circular No 50/2002 dt. 04 12.2002.

The Recovery Monitoring Committee was reconstituted vide circular 3rd cited with the following Officers as members to review the recovery of term loan dues from the assisted Units periodically and to give suggestions on policy matter to the management wherever necessary

1. Thiru T Meenakshisudaram, G.M.
- 2 Thiru R Rajamanickam, G M
- 3 Thiru S. Balasubramanian, D G M
4. Thiru M. Tamilmani, D.G M

Consequent on the transfers/^{retirement} of the Members of the Committee, the functions of the Recovery Monitoring Committee was looked after by the following Officers as Members.

- 1 Thiru T Meenakshisundaram, G M
- 2 Thiru C T Jagadeesan, D.G M
- 3 Thiru A W Peer Ahmed, D.G.M.

The above said Officers will continue as Members of Recovery Monitoring Committee until further orders

Thiru A W Peer Ahmed, D G M (F&R) will be the convenor of the Committee

2/2
CHAIRMAN & MANAGING DIRECTOR
16/10/05
DH
16/10/05
D G M (F&R)
2/2

To
The Officers concerned

Copy to

All officers in F&R Dept
PS to CMD

DRAFT

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED,
19-A, Rukmani Lakshmiipathy Salai, Egmore, Chennai - 600 009.

CIRCULAR

Circular No/ 27 /2006

Dated: 31. 8.2006

Sub: Withdrawal of Nominee Directors – Reg.

It has been decided by CMD to withdraw the nomination of SIPCOT Officials as Nominee Directors from the Board of Term Loan assisted units. Therefore, you are requested to furnish the following details as per the format enclosed on or before 8.9.2006 in respect of the Nomination which have not been withdrawn yet, so as to take necessary action.


CHAIRMAN AND MANAGING DIRECTOR

Encl: As above.

FORMAT

Name of the Officer :

Designation :

Sl.No.	Name of the company	Date of appointment as Nominee Director *

Signature

The appointment letter may please be enclosed, if available.

O.O.No.4/91

Issued date:18.01.1991

Re-issued
Date:11.02.2021

OFFICE ORDER

Sub: Providing Security Services to the units taken possession under SFC Act - Guidelines issued.

Ref: This office Lr.No.E1/Misc./22/89 Dt.5.8.89
Addressed to the project officers and the
Special Tahsildars(Recovery).

In order to overcome the problem faced by appointing NMRs in such cases, it has already been decided as a matter of policy to utilise the services of Security Bureaus to safe-guard the properties of the defaulting units taken possession by SIPCOT under SFC Act.

The following guidelines are now issued to be followed by the concerned Chief Officers/Project Officers/Special Tahsildars(R) while utilising/ ordering requesting ~~sent~~ ^{that} the services of Security Bureaus in occasions strictly Warranting the appointments.

1. Quotations have to be called for from atleast three local security bureaus (Registered) and finalised by the concerned Project Officers /Special Tahsildars(R) with reference to the rates, terms and conditions with the approval of the Head Office.
2. The Procedures followed in the case of tenders have to be followed in obtaining quotations from the Security Agencies.
3. The number of Security Guards required will be decided considering the need and necessity in each case.

4. An agreement has to be entered by the concerned Project officers/Special Tahsildars(R) with the Security Agencies on finalisation of the quotations.
5. Copy of the Standard Agreement to be entered in this regard can be had from the Personnel Department which has to be adopted uniformly in all such cases. specimen form ~~units~~ *enclosed*.
6. Any suitable Clause to protect the interest of the Corporation can be suggested by the officers for inclusion in the agreement.
7. All bill for payment to Security Guards shall be paid only on production of log-book extract (Attendance Register) duly certified by the Project Officer/Special Tahsildar concerned who are authorised to have close supervision of the sick units.
8. The concerned Project Officer/Special Tahsildar(R) should make surprise check then and there and report to Head Office immediately if there is any slackness or shortfall of the Security arrangements.
9. The expenditure incurred in the matter will be recovered from the respective units by the concerned Departments in Head office (Follow-up, Sick unit Rehabilitation, etc.,)
10. Whenever the Project Officers/Special Tahsildars have to make immediate arrangement in some cases, they can make temporary arrangement till such time the regular arrangement is made. However in no case the period of temporary arrangement exceed 89 days.
11. The concerned Follow-up Department/SRC should ensure that the fixed assets of the units taken possession were insured against theft, pilferage, burglary, decoity, fire, flood, and natural calamity etc., with an inventory of all fixed assets and current assets.

12. Approval will have to be obtained from the General Manager (Administration) for employment of security guards.

13. Where any engagement was made by the Project Officers/ Spl.Tahsildars before the issue of these orders which is not in accordance with the above mentioned guidelines, they are requested to submit proposals to this office for regularisation of such engagements.

The above guidelines have to be followed by the concerned officers strictly. Any failure in this regard will be viewed seriously.

The Project Officers/Sp.Tahsildars are requested to acknowledge the receipt of this office Order immediately.

(This Office Order is re-issued).

Sd/-xxx
CHAIRMAN & MANAGING DIRECTOR


To

All Project Officers & Special Tahsildars (R)
Special Tahsildars(Recovery), Madras, Salem, Madurai.

Copy to:

All General Manager
All Head of Departments.
S.F

//Forwarded By Order//


MANAGING DIRECTOR

17/22

P.No.39/91

Dated: 1.8.1991

OFFICE ORDER

Sub: Redistribution of Follow-up and Recovery
work - Inspection Schedule - Instructions
Issued.

.....

The work relating to both recovery from assisted
units and follow-up will henceforth be redistributed on a
regional basis and entrusted to the same Officer as given below:

CHIEF OFFICER (FOLLOW-UP
AND RECOVERY), MADRAS REGION.

CHIEF OFFICER (FOLLOW-UP &
RECOVERY), MADURAI REGION.

Madras, Chengai - MGR,
North Arcot Ambedkar,
Tiruvannamalai -
Tiruvannamalai, South Arcot,
Tiruvannamalai and Dharmapuri Districts.

Tiruchirapalli, Thanjavur,
Pudukkottai, Madurai, Anna,
Pasumpon Thevar Thirumagan,
Kamarajar, Ramanathapuram,
Tirunelveli Kattabomman,
Chidambaram, Kanniyakumari,
Nilgiris, Coimbatore and
Pariyer District.

-
2. All units (Term loan and IFST) which are defaulters or
show signs of sickness or are sick will be inspected, at least
once in a financial year by an Officer above the rank of Assistant
Manager. The programme of inspection for the rest of the current
financial year is given Officer-wise/monthwise in Annexure-I (A & B).

3. The two Chief Officers (Follow-up & Recovery) will closely monitor the payments by the units which are now not included in the list of inspection on the ground that they are prompt in payment and ensure that they continue to be prompt. If they default in payment, proposals will be put up to CMD for including them in the list of inspection.

4. The two Chief Officers (Follow-Up & Recovery) will further be responsible to co-ordinate with the Legal Department in respect of all cases where legal action has been initiated for recovery of dues.

5. Monitoring of Subsidy to see whether the conditions governing the subsidy are being complied with will also be the responsibility of the Chief Officer (Follow-UP & Recovery) of the region concerned.

6. The Chief Officers (Follow-Up & Recovery) will keep a close watch over the 'C' category units and transfer those files which are falling within the category of Sick Unit definition of RSR and BIFR to the SUR Department, after an analytical study of the reasons for sickness.

7. The Chief Officers (Follow-up & Recovery) of the two regions will not be responsible for the rehabilitation of the units under RSR Scheme of IDBI and BIFR and this work will continue to be with SUR Department for the State as a whole.

8. Within a week of completion of the inspection in accordance with the schedule in Annexure-I, the Officer concerned should give a report in the format in Annexure-II to the General Manager in-charge of Follow-up and Recovery. The General Manager should bring all cases of default or other irregularities to the prompt notice of Chairman & M.D. and take necessary follow-up action.

B. VIJAYARAGHAVAN,
CHAIRMAN & MANAGING DIRECTOR.

To.

All concerned.

Copy to : CMD's Table.

//FORWARDED/BY ORDER//

[Signature]
GENERAL MANAGER (ADMN.)

gu/2.8.

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LTD.
MADRAS - 600 008.

Office Order No. 44/91.

Dated: 29.8.91

Sub:- Re-organisation of Follow-up & Recovery.

Ref:- Office Order No.39/91, dt.1-8-91.

At present the set up for follow-up is divided into two regions, viz. Madras & Madurai, under Office Order No.39/91, dt.1-8-91, whereas the regional set up for recovery is divided into three regions viz. Madras, Madurai & Coimbatore/Salem. It has now been decided that both Follow-up & Recovery work should also be divided into three regions, with the third region being designated as Salem Region instead of Coimbatore Region. Accordingly, both for Follow-up & Recovery, the distribution of the districts will be as follows:

Madras Region

Madras
Chengai - MGR
North Arcot - Ambedkar
South Arcot
Thiruvannamalai
Sambuvarayar

Madurai Region

Dindigul - Anna
Madurai
Tiruchirapalli
Thanjavur
Pudukkottai
~~P.M.D.~~ Pasumpon Thavar
Chidambaranar
Nellai - Kattabomman
Kanyakumari
Ramanathapuram
Kamarajar

Salem Region

Coimbatore
Salem
Dharmapuri
Periyar
Nilgiris

2. The above set-up for Follow-up & Recovery requires posting of one more Chief Officer with supporting staff.

...2/-

3. At present there is centralised follow-up of IFST & ~~Recovery~~^{Subsidy}. In line with the regional set-up for both Follow-up & Recovery of term loan cases, the follow-up of IFST & Subsidy cases will also henceforth be taken up by ^{the} concerned officers in the respective regions.

4. Consequent to the re-organisation in the Business Development Section of the Planning & Development Department, Thiru R. Ganapathy, Chief Officer (LI & SWA) will be posted in the Follow-up Department as the third Chief Officer who will be in-charge of Salem Region. Thiru T.B. Periathambi, Deputy Manager, Thiru Vincent Packiaraj, Asst. Manager, Thiru E. Bethiah, Asst. Manager and Tmt. Kalaiarasi, Asst.-cum-Steno typist will assist him.

5. The set up for Follow-up & Recovery will be as given in Annexure-I.

6. The Special Tahsildars will henceforth report to the Chief Officer of the concerned region. The Chief Officer will be designated as Chief Officer (Follow-up & Recovery) of the respective region.

7. The above order will come ^{into} ~~with~~ effect from 2-9-1991.

Encl: Annexure - I

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LTD.
MADRAS

OFFICE ORDER

O.O. 52/91

Dt. 3.9.1991

Sub: Inspection of assisted units.

Ref: Office Order No.39/91 dt.1.8.91

In the O.O. cited, instructions have been issued regarding the inspection of assisted units which have defaulted or are showing signs of sickness or are sick. Whenever Officers go for these inspections they should give notice by RPAD to the promoters requesting them to be present for providing the necessary information, clarifications, etc. If the promoters do not respond to such notices, a serious view will have to be taken when the question of recovery of overdues comes up.



CHAIRMAN & MANAGING DIRECTOR

To:

All concerned

Copy to: P.S. to CMD

CMD's table

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LIMITED
19-A, Rukmani Lakshmipathy Road, Madras - 600 008.

O.O.No.58/91.

Dated: 9-9-1991.

OFFICE ORDER

Sub:- Project Finance - Dealing of project enquiries
and loan applications - Procedure to be followed.

It is observed that there are cases where project enquiries/loan applications are shown as pending because of the failure of the party to remit investigation fees or commitment charges or furnish necessary documents. There are also cases where the applications cannot be processed for reasons beyond the control of the applicant such as involvement of foreign line of credit, non-receipt of clearances for tie-up of foreign collaboration agreement, etc. In some cases it may become necessary to get a study made by a Consultant into some specific aspect(s) before the appraisal is done and in such cases, the applicant has to be called upon to deposit the consultancy fee with SIPCOT.

2. The following procedure will be followed by the Project Finance Department in these cases:

(i) Where Project enquiry/loan application is pending because of the failure of the party to remit investigation fees or commitment charges or consultancy fees or because of the failure of the party to furnish necessary documents, a notice should promptly be issued by R.P.A.D. giving 30 days' time and informing him that if there is no satisfactory response the enquiry/application will be treated as closed. In such cases, the investigation fees, if any, paid will also be refunded.

(ii) In cases where the case cannot be processed for reasons beyond the control of the applicant such as where the party has to obtain clearances for collaboration agreement or .

pto...2/-

where foreign line of credit is involved, etc., the party will be informed that the case is being closed and will be reopened as and when the requirements are complied with. (The use of the expression 'temporarily closed' in such cases should be discontinued since this is likely to be construed to mean that such cases should still be treated as 'pending').

3. Whenever Consultants have to be appointed for obtaining reports necessary for appraisal of loan applications, the appointment of the Consultant should be made only by SIPCOT after collecting the requisite fees from the applicant. The applicant should not be allowed to directly appoint the Consultant.

4. Delay in disbursement of loans after the Board sanction can be minimised if sanction of IDBI's refinance can be obtained promptly. In order to facilitate this, after the Chairman & Managing Director approves the draft appraisal report it will be sent to the IDBI for necessary preliminary scrutiny. The final appraisal report will be sent to IDBI after the sanction of the Board is obtained.

Sd/-: B. VIJAYARAGHAVAN
CHAIRMAN & MANAGING DIRECTOR.

To

All General Managers.

All Deputy General Managers.

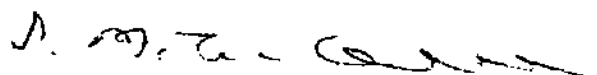
All Chief Officers.

All Officers concerned.

Copy to: CMD's table.

PS to CMD.

//FORWARDED/BY ORDER//


GENERAL MANAGER (PF).

O.O.No.65/91

Dated: 16.09.1991.

OFFICE ORDER

Sub: Industrial Complexes - Recovery of land cost and other dues from the assisted units.

It has come to my notice that substantial arrears of land cost, maintenance charges, water charges, etc., are to be recovered from units in the Industrial Complexes. Where these units have also availed themselves of financial assistance from SIPCOT it should be possible to recover the dues from the assistance amount due for disbursement. This needs close coordination between the Area Development and Project Finance Departments. The following instructions are issued in the matter:-

1. The Area Development Department shall, before 23.9.91, furnish to the Project Finance Department the latest list of allotments made in each Complex indicating each unit's dues towards all items of arrears falling under the purview of the Area Development Department. If the dues are 'nil' for any unit, that should be specifically stated.

2. Based on the above list, Project Finance Department in respect of items (a), (b) and (c) below and Legal Department in respect of item (d) below shall furnish the following lists of Term Loan and subsidy cases to the Area Development Department before 30.9.91:

- (a) List of units in respect of which documents executed and disbursements fully made.
- (b) List of units in respect of which documents executed and part disbursements made and the balance due.
- (c) List of units in respect of which documents executed and disbursements not yet commenced and amounts due.
- (d) List of units in respect of which documents are yet to be executed.

3. The Project Finance Department shall recover the dues reported by the Area Development Department to the maximum extent possible from the next disbursement of Term Loan or subsidy and continue such recovery, if

..2..

4. Hereafter, the Legal Department should, as soon as documentation is done for loan and/or subsidy for a unit furnish intimation of the same promptly to the Area Development Department and obtain acknowledgement of that Department on the office copy. The area Development Department should maintain a Register showing all such cases.

5. In respect of every such unit, the Area Development Department should, as soon as any arrears recoverable by that Department comes to notice, send intimation to the Project Finance Department and obtain that Department's acknowledgement on the office copy.

6. The Project Finance Department should recover the entire dues as intimated by the Area Development Department in one lumpsum from the next disbursement due to the unit towards loan and/or subsidy and continue such recovery till the entire amount is recovered and shall intimate the fact of recovery promptly to the Area Development Department and get that Department's acknowledgement on the office copy.

7. At my monthly Review Meetings of both Project Finance and Area Development Departments, the concerned General Managers should furnish a list of recoveries made during the preceding month under the above procedure.

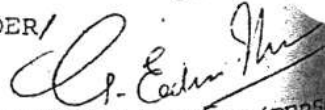
sd/-B. VIJAYARAGHAVAN
CHAIRMAN & MANAGING DIRECTOR

To

The General Manager (Project Finance)
The General Manager (Planning & Development)
The Deputy General Manager (Admin & Legal)
All Officers in the Project Finance Department
All Officers in the Area Development Department
All Officers in Legal Department

Copy to: CMD's table
P.S. to CMD

//FORWARDED BY ORDER/


ASSISTANT MANAGER (PERSONNEL)

(163)

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LIMITED
19-A, Rukmani Lakshmipathy Road, Madras-8.

O.O.No.74/91.

Dated: 8-10-1991.

+

OFFICE ORDER

Sub:- Project Finance - Appointment of Consultants
and collection of requisite fee - Procedure
to be followed.

In para 3 of O.O.No.58/91, dated 9-9-91, it had been ordered that whenever Consultants are to be appointed for obtaining reports necessary for appraisal of loan applications, the appointment will be made of by SIPCOT after collecting the requisite fee from the applicant.

It has now been decided that not only in respect of Term Loan but also IFST & Subsidy Schemes, the choice and appointment of the Consultant shall be made only by SIPCOT. The applicant company will be asked to deposit with SIPCOT D.D./Cheque in favour of the Consultant for the fee agreed to by SIPCOT. It will be SIPCOT which will both commission the study and also forward the Consultancy fee to the Consultant. On these two aspects, there will be no direct dealings between the Applicant Company and the Consultant. Once a Consultant is appointed by SIPCOT the applicant company will render all necessary assistance to the Consultant to do the job.

B. VIJAYARAGHAVAN.
CHAIRMAN & MANAGING DIRECTOR.

To
All General Managers.
All Deputy General Managers.
All Chief Officers.
All Officers concerned.

Copy to: CMD's table.
PS to CMD.

//FORWARDED/BY ORDER//


GENERAL MANAGER (PF).

STATE INDUSTRIES PROMOTION CORPORATION OF
19-A, RUKMANI LAKSHMIPATHY ROAD, MADRAS-6.

.....

OFFICE ORDER

O.O.NO.77/91

DATED : 14.10.91

Sub : Demands for Term Loan Principal/
Interest/Soft Loan Principal over
due Service Charges of soft loan/
C.C. on IFST Loan.

.....

Henceforth the demands for term loan principal
dues and interest dues will be sent 15 days in advance.
Similarly, the demands for Service Charges for Soft Loan,
Principal overdues and C.C. on IFST Loan will be sent after
debiting the account and a demand issued to pay within seven
days.

2. Revised forms for

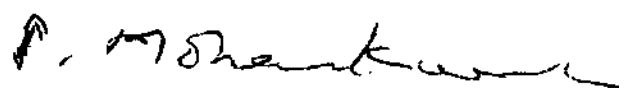
- (i) Demand Notice for Principal/Interest dues
on Term Loan.
- (ii) Demand Notice for Interest on Term Loan.
- (iii) Demand Notice for Commitment Charges on IFST Loan.
- (iv) Demand Notice for Service Charges on Soft Loan/
Principal over dues.

are appended.

Sd/-
CHAIRMAN & MANAGING DIRECTOR.

To
All Officers in Term Loan/IFST/
Incentives/Refinance/Accounts.

Copy to: P.S. to C.M.D.
" C.M.D.'s Table.


GENERAL MANAGER (PF).

BY RPAD

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LIMITED
19-A, Rukmani Lakshmipathy Road, Egmore, Madras - 600 008.

.....

DEMAND NOTICE FOR COMMITMENT CHARGES ON IFST LOAN

Ref:No.A/STL/ 89-90

Dated: _____

To

Dear Sir(s),

Ref:- Your Sales Tax Loan Account No.

Your IFST Loan Account has been debited by Rs.

(_____ only)
being the commitment charges on the undrawn balances as on
with reference to your schedule of drawal of funds.

You are requested to remit the same by Cheque/Draft
drawn on a Bank in Madras city within seven days.

Yours faithfully,

Assistant Manager

- B.3. 1. Please quote the Loan
Account No.
in all correspondence.
2. Old arrears of CC outstanding
for/upto quarter ended
viz.Rs.
may also be remitted immediately.

Copy to: Follow-up
and Recovery.

Sl. No.	Term Loan	Amount	Due Date of Repayment
		Rs. p.	

Other dues:

1. Commitment Charges
2. Insurance
3. Security Charges/
Watchman Salary
4. Inspection/Valuation
Charges.

Total

II.

ARREARS

Sl. No.	Term Loan	Amount Due	Penal Interest	Interest on Interest
		Rs. p.	Rs. p.	Rs. p.

1. Principal Instalment (s)
2. Interest upto
3. Other dues:

1. Commitment Charges
2. Insurance
3. Security Charges/
Watchman Salary
4. Inspection/Valuation
Charges

Total

Grand Total (I & II) :

Please remit atonce the entire sum due by Demand Draft
Cheque drawn on a Bank in Madras City to reach us before the due date.

Yours faithfully,

ASSISTANT MANAGER (ACCOUNTS).

Copy to:

Follow-up and
Recovery.

BY R.P.A.D.

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED,
19-A, RUKMANI LAKSHMIPATHY ROAD, MADRAS-8.

.....

DEMAND NOTICE FOR PRINCIPAL/INTEREST DUE ON TERM LOAN

Dated :

M/s.

Sirs,

Ref : Your Term Loan A/c No.

....

A sum as indicated below towards the Principal instalment No. /Interest for the quarter ending in respect of the above Term Loan is due to be paid by you on the dates as in the Table below.

The entire amount should be paid at once by Demand Draft/Cheque drawn on a Bank in Madras City.

In case the principal amount is received after the due date, penal interest at 5% p.a., in addition to the normal rate of interest will be levied on the defaulted amount for the defaulted period.

In case the Interest amount due from you is received after the due date, Interest on Interest at % and/Penal Interest at 5% will be charged from the due date till the date of credit. In case the due date falls on a holiday the previous working day will be reckoned as the due date.

CURRENT DUE

Sl. No.	Term Loan	Amount		Due Date of Repayment
		Rs.	p.	
1.	Principal Instalment No.			
2.	Interest for the quarter ending			

BY RPAD

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED
19-A, Rukmani Lakshmipathy Road, Egmore, Madras- 600 008.

DEMAND NOTICE FOR INTEREST ON TERM LOAN

To

Dated:

Dear Sir(s)

Ref:- Your Term Loan A/c.no.

Interest on your Term Loan for quarter ending _____ becomes due on _____. Please send the amount of Cheque/Demand Draft on a Bank in Madras City. Interest on Interest at _____% p.a. and Penal Interest at 5% p.a. in addition to the normal rate of interest will be charged from the due date. In case the due date falls on a holiday the previous working day will be reckoned as the due date.

Sl. no.	Particulars	Arrears		Current Qr.Demand	
		Rs.	p.	Rs.	p.
1.	Term Loan-Principal				
2.	Interest on Term Loan				
3.	Commitment charges on Term Loan.				

Total

You are requested to remit the above amount before the due date.

Yours faithfully,

Assistant Manager (A/c.)

N.B: Please quote the loan number in all your correspondence.

BY R.P.A.D.

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED
19-A, RUKMANI LAKSHMIPATHY ROAD, MADRAS-8.

DEMAND NOTICE FOR SERVICE CHARGE ON SOFT LOAN/PRINCIPAL OVER DUE

Dated :

M/s.

Sir,

Ref : Your Soft Loan Account No.

....

Your soft loan account has been debited by
Rs. (Rupees only)
being the service charges on SIPCOT soft loan for the
half year ending.

Sl. No.	Particulars	Arrears	Current Demand
1.	Soft Loan Principal		
2.	Service Charges		
Total			

You are requested to remit the above dues by
Cheque/Demand Draft drawn on a bank in Madras City within seven
days.

Yours faithfully,

ASSISTANT MANAGER (A)

LA

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LTD
19-A, RUKMANI LAKSHMIPATHY ROAD, EGMORE, MADRAS-8.

O.O. No. 93/91.

OFFICE ORDER

Dt. 29.11.1991

Sub: Delegated powers for the sanction of
Generator Term Loan by CMD.

- - - -

The Board at its Meeting held on 20.11.91 has
delegated to the Chairman and Managing Director powers to sanction
term loans upto Rs.25.00 lakhs in respect of purchase of gene-
rators instead of upto Rs.20.00 lakhs as heretofore.

Sd.

B. VIJAYARAGHAVAN,
CHAIRMAN AND MANAGING DIRECTOR.

/FORWARDED BY ORDER/

To

All GMs/DGMs/AGMs and
All Officers in Term Loan/
IFST/Incentives/Refinance/
Accounts/Internal Audit/Legal


GENERAL MANAGER (PF)

c.c.to:

CMD's Table

PS to CMD



Draft:G.O. No. 95/91Dated 6.12.1991.

from
Sub: Term Loan - NOC for Co-financing Institutions.

It is observed that the documentation and disbursement of term loans sanctioned get delayed some times for want of receipt of No Objection Certificate (NOC) from the Co-financing Institutions/Banks. It is for the entrepreneurs to impress upon the institution concerned the urgency of the matter and get the NOC in time. However, in order to expedite early documentation and to cut down the time lag between sanction and documentation/drawal of loan, it has been decided that whenever entrepreneurs approach for financial assistance requiring NOC from Financial Institutions/Banks, they should be advised to apply for NOC even at the time of application for term loan. A copy of the Company's request for NOC should accompany the loan application.

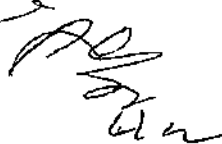

6/12/91
CHAIRMAN AND MANAGING DIRECTOR

Copy to:

Ad All GM's/DGM's/AM's
All Officers concerned

CMD's Table

PS to CMD

A.M. S. L. T.
Dt. 15/12/91


STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LTD.,
19-A, Rukmani Lakshmipathy Road, Egmore, Madras-8.

O.O.No. 96 /91

+

Dated: 6 -12-1991

OFFICE ORDER

Sub: Terms and conditions prescribed by SIPCOT -
Acceptance by parties.

-- :: --

Cases have come to my notice where terms and conditions prescribed by SIPCOT in the context of various assistance/relief given are accepted by parties subject to conditions. This procedure is irregular. In future, the following clause shall be inserted towards the end of all communications prescribing such terms and conditions:

"These terms and conditions are deemed to have been unconditionally accepted by (name of the party). If (name of the party) makes any endorsement to the contrary in any communication, the assistance/relief extended will stand cancelled".



(B. VIJAYARAGHAVAN)
CHAIRMAN & MANAGING DIRECTOR.

To:

All Officers in Head Office.

Copy to:

CMD's Table.
PS to CMD.

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LTD.
MADRAS-8.

OFFICE ORDER

O.O.No. 98/91

Dt.12.12.91

Sub: Term Loan Demand Notices
for principal instalment and
interest.

Demand notices to term loan assisted
units in respect of principal instalment
and interest due, should, in future, be issued
30 days in advance without ^{any} omission ~~in any case.~~
This is in partial modification of the
instructions in O.O.No.77/91 dated 14.10.91.



CHAIRMAN & MANAGING DIRECTOR

To:

All Officers in Term Loan/IPST/
Incentives/Refinance/Accounts

CMD's Table
Copy to: P.S. to CMD

→ Ahol (Deed)
Pl. get Number
from ~~EST.~~ EST. Tech
to
Issue the
Office order
today
itself
H
1/11

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LTD.,
19-A, Rukmani Lakshmipathy Road, Egmore, Madras - 600 008.

-- ::: --

O.O.No. 100/91

Dated: 17-12-1991

OFFICE ORDER

Sub: Term Loan - Foreclosure notices and
orders - Copies to be marked to other
institutions.

-- ::: --

Copies of all foreclosure notices and foreclosure
orders should invariably be marked to all the financial
institutions and all other public sector organisations
who have rendered any form of assistance to the unit
such as by way of Term Loan, Working Capital, Seed
Capital, ^{Subsidy} Equity, etc.



(B. VIJAYARAGHAVAN)
CHAIRMAN & MANAGING DIRECTOR.

To:

All the Officers in the Project Finance
Department.

Copy to:

The CMD's Table.
PS to CMD.

Completed
17.12.91

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LTD.,
19-A, Rukmani Lakshmipathy Road, Egmore, Madras - 600 008.

-- : : --

O.O.No. 104/91

Dated: 23-12-1991

OFFICE ORDER

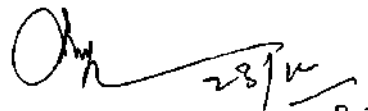
Sub: Financial Assistance - Site Inspection.

-- : : --

In all cases of sanction of term loan (including additional loan), seed capital assistance, etc., it is necessary for the dealing officer to inspect the site in order to ascertain the suitability of the land, its adequacy, proximity to power supply, availability of water of the requisite quantity, environmental aspects, etc. In respect of projects financed jointly with other institutions, it will be desirable to carry out such inspections jointly with them.

Inspections may not ordinarily be required when the project is proposed to be located in a Government Industrial Complex.

2. Specific orders should be obtained by the dealing officer on every case of term loan, seed capital assistance, etc., on the site inspection to be carried out and the points to be elicited during the site inspection.



(B. VIJAYARAGHAVAN)
CHAIRMAN & MANAGING DIRECTOR.

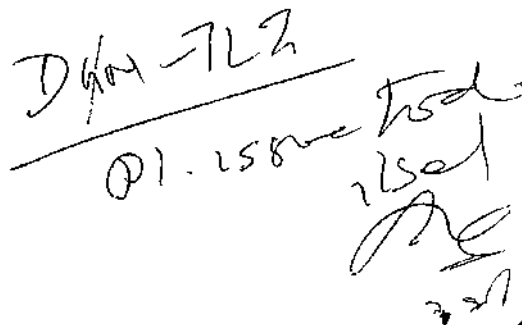
To:

All Officers concerned.

Copy to:

The CMD's Table.

PS to CMD.



STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LTD.
19-A, Rukmani Lakshmipathy Road, Egmore, Madras-8.

O.O.No. 3/92.

Dated: 10-1-1992.


OFFICE ORDER

Sub:- Keeping unsecured loans/deposits of projects in 'No Lien' Bank Account - Reg.

While finalising the means of finance for term lending, the interest free unsecured loans/deposits from promoters/directors should be kept in a 'No Lien' account with Bank for utilising them for creation of fixed assets only. The unsecured loan should not be withdrawn during the pendency of our Term Loan. The condition to be stipulated in this regard will be as follows:

"The interest free unsecured loan proposed for the project would be deposited in 'No Lien Account' in the Bank and should be utilised only for creation of fixed assets for the project. The promoters shall confirm in writing every year that the interest free unsecured loans brought in by them is kept intact."


GM(PF).


B. VIJAYARAGHAVAN.
CHAIRMAN & MANAGING DIRECTOR.

CC All GMS/DBMS/AGMS
Project Finance - TLI
Project Finance - TLI
SUA
Legal
Accounts
Internal Audit
Follow up + Recovery
PS + CMD
CM DS

O.O.No. 11/92

Dated: 6.2.92.

~~TELEPHONE~~ LOANS -
Subj: VALUATION OF FIXED ASSETS - Preceding procedure

For ensuring proper valuation of fixed assets of assisted units, the basis for the system to be followed is as follows:

- (i) ~~Only the services for the~~ ^{will be entrusted only to} institutional valuers ^{both} for valuation of buildings and plant and machinery approved by SIPCOT from time to time, should be used. The ~~present~~ ^{as at present} approved list of institutional valuers is given in Annexure-I.
- (ii) ~~For valuation of building, The format prescribed by SIPCOT as per~~ ⁱⁿ Annexure-II should be followed ^{for valuation of buildings}.
- (iii) ~~For valuation of plant and machinery~~ The format ~~prescribed by SIPCOT as per~~ ⁱⁿ Annexure-III should be followed.
- (iv) ~~By definition~~ Standard building is one for which the approved schedule of rates can be adopted for the purpose of appraisal during 1991-92 as given at Annexure-IV. Any building construction which for technically valid reasons cannot be executed as per scheduled rates should be termed as non-standard building and estimates of the same with the name and background of the construction agency selected by the promoter to the satisfaction of SIPCOT should be clearly indicated in the appraisal.
- (v) By definition, standard plant and machinery would be one available from reputed original machinery suppliers for which three competitive market

...2/-

rate quotations are available. This should be firmed up at the time of appraisal specifically indicating the firm price and supplier selected to the satisfaction of SIPCOT. If for any plant and machinery, it is not possible to apply this criterion, then it should be termed as non-standard plant and machinery and in the appraisal the estimate and source of supply should be indicated. Also second-hand plant and machinery, whether indigenous or imported, should be termed as non-standard item.

The following operational guidelines would henceforth be followed in respect of valuation of fixed assets in all assisted term loan cases:

- (A) For standard building construction (item-iv) and standard plant and machinery (item-v), the following procedure would be followed in such cases;
 - (a) For disbursement upto 50% of the term loan, we can accept valuation certificate for the building from a Chartered Engineer/Licensed Valuer selected by the company.
 - (b) Further disbursement above 50% of the loan should be effected only after valuation of the building by an institutional valuer approved by SIPCOT (item-i) ~~as a cross-check measure~~.
 - (c) There is no need to value indigenously available plant and machinery, if it meets the criterion fixed under item-v).
- (B) In respect of second-hand plant and machinery, whether indigenous or imported and also non-standard plant and machinery which are custom-made/fabricated as per specifications ~~for special purpose~~, the valuation should be ensured by an institutional valuer on the panel of SIPCOT (Annexure-I) before disbursement against such items unless otherwise stated in the Board's sanction conditions against such items.

...3/-

- (C) In respect of functional building/non-standard construction for special requirements, valuation should be ensured by an institutional valuer on the panel of SIPCOT (Annexure-I) before disbursement unless otherwise stated in Board's sanction conditions against such items.
- (D) If there is any condition stipulated by the Board on any item of fixed assets to be valued then it should be done only by an institutional valuer on the panel of SIPCOT (Annexure-I) before disbursement or at any specified stage of disbursement covered by the Board's condition at the time of term loan sanction.
- (E) In respect of original imported plant and machinery, after retirement of 'LC' amount and payment of customs duty, the same should be valued by an institutional valuer on the panel of SIPCOT unless otherwise stated in the Board's condition.
- (F) The terms and conditions proposed in the appraisal note placed before the Board should cover fixed assets which require valuation by the valuer, specified timing of valuation, indicate extent of disbursement which will be permitted initially and ^{whether} ~~where~~ the same should be valued by an institutional valuer on the panel of SIPCOT or can be permitted to be valued by a more competitive agency depending upon the specific nature of the case.

The above guidelines should be strictly followed in respect of all term loan assisted cases.

Amk
G.M.(PF).
30/12/71

To: All this in P.F.
eng & engg. Rm
P.S. & engg

Ch
C.M.D.

Dha-767
Amv
01.15/72

INSTITUTIONAL
PANEL OF ENGINEERS - REGION-WISE.

1. The Principal,
Anna University,
Guindy, Engineering College,
MADRAS.
2. The Principal,
P.S.G. College of Engineering,
Peelamedu,
COIMBATORE.
3. The Principal,
Theagaraya Engineering College,
MADURAI.
4. The principal
Thanttai Periyar Govt. Institute
of Technology,
Vellur
Pen-632 002
632 002
5. Salem Engg. College, Salem
- 6.

Latest
list
called
for min.
TILC
30/11/92
To be updated
case in latest
TILC list

LK
M(FA)
Pl. SPL on 10.2.92

One
9292
Action taken:
Mk
w/2

TTC LTD./MADRAS-14.

OPERATION DEPT./91-92

PANEL OF ENGINEERS/VALUERS - AS PER THE
PROCEEDINGS OF THE BOARD AND CHAIRMAN AND MANAGING
DIRECTOR

1. All Engineering Colleges in the State Civil & Mechanical
2. All Polytechnics in the State Civil & Mechanical
3. Central Leather Research Institute (CLRI), Madras -
~~Mechanical~~
4. The Small Industries Service Institute - SISI, Madras -
~~Mechanical~~
5. MADRAS CITY 5. IIT 6. CIPET 7. Any other
after discussion
approved by
Civil
1. Techno Engineering Co.,
14-D, Sterling Road,
Madras - 34.
2. Thiru Jothi Swaminathan,
Plot No.124, Anna Nagar,
Madras - 40. Civil
3. Thiru A.S. Sivaranyakrishnan,
T.Nagar,
Madras - 17. Civil
4. Thiru Coil Pillai, B.E., FIE.
Retd.Chief Engineer, PWD
18 West Cott Road,
Madras - 14. Civil
5. Thiru P.K. Nagappan,
Baskar Colony, Plot No.165-A,
Vedapalani, Madras-26. Civil
6. Thiru T.B. Ranganathan, B.E.,
17-A Babu Mudali St.,
Madras - 86. Civil
7. Thiru N.D. Natarajan, B.E.,
7 V Main Road, Raja Annamalipuran,
Madras - 28. Civil
8. Thiru K.R. Ramasamy, B.Sc., B.E. (Hons)
Chief Engineer (Retd.)
44 A/1, VI Cross St.,
GIT Colony, Madras - 4. Civil
9. Thiru B.S. Raghavendra Reddy, B.E.,
4, Vishweshwarapuram St.,
Mylapore, Madras - 4. Civil
10. Thiru C. Kanian,
8/3, Sengunda Mudaliar St.,
Shenoy Nagar, Madras. Mechanical
11. Thiru K.G. Menon,
3, 1 Street, (Jayasree)
Jayalakshmiapuram (Office Sterling Road)
Nungambakkam, Madras - 34. Civil

...2/-

12. Thiru Ramanathan Palaniappan
SRV Bhuvaneswari, Plot No.3362 AX
11th Main Road, Anna Nagar West,
Madras - 40.

Mechanical

COIMBATORE DISTRICT ::

1. PSG Industrial Institute,
Peelamedu, Coimbatore
2. South India Textile Research Assn.
Coimbatore.
3. Thiru S. Sitarman,
"Shanthi", 28, Peranaidu Layout,
Coimbatore - 641 011.
4. Thiru B. Palaniswamy, B.E., (Civil) MIE.,
114 Kumaran Road, Tirupur - 638 601.

Civil & Mechanical

Textiles

Mechanical

Civil

MADURAI DISTRICT :

1. Thiru A. Jawahar,
60 I Floor, East Veli Street,
Madurai - 625 001.
2. Thiru T.M. Jambulingam,
757 Anna Nagar,
Madurai 625 020.
3. Thiru V. Sundaram, B.Sc., B.E.,
Chartered Engineer, 178
178 North Veli St.,
Madurai.

Civil

Civil

Civil

TANJAVUR DISTRICT ::

1. Thiru V. Seshadri, MIE, FIV,
44/C, Boys High School Road,
Madimuthu Nagar, Pattukottai,
Thanjavur Dt.
2. Thiru T.S. Muthukumaraswamy, Asst.Engr.
(H) Retd., Consulting Engineer,
P 23 Giri Road, Srinivasapuram,
Thanjavur.
3. Thiru James J. Paul, B.E., M. Arch(USA) FIE
Chartered Engineer & Architect,
1027 Mission Mettu St.,
Thanjavur 613 001.

Civil

Civil

...3/-

RAMNAD DISTRICT :

1. Thiru S.P. Arjuna Raja, Rajapalayam
6 I Main Road, R.A. Pura,
Madras - 28. Civil
2. Thiru A. Jayakar, B.E., MIE (Ind.) FIV
1 AE Sankaralinga Nadar St.,
Virudhunagar, Ramnad District. Civil

3. Thiru

TIRUNELVELI DISTRICT :

1. Thiru T. Udayasankar, B.E., A.M.I.E.,
22 South Raja St., Tuticorin,
Tirunelveli Dt. Civil

ANNEXURE - II

PANEL OF ENGINEERS/VALUERS - NEW

Sl.No. 1.	DISTRICT 2.	NAME OF VALUER 3.	ADDRESS 4.	QUALIFICATION 5.
1.	Chingleput	Sampson S. Davadasan	No.15, Devarajanar St., Vedachalam Nagar, Chingleput - 1.	B. Arch. M.T.P.
2.	Coimbatore	G. Swaminathan	740 Trichy Road, Kongu Nagar, Coimbatore - 45.	B.E., Civil.
3.	Coimbatore	S. Karthikeyan	37 Kuppasany Gounder St., Pollachi - 642 001.	B.E., (Mech)
4.	Coimbatore	K. Kandasamy	Coimbatore Road Council, 6/48 Avanashi Road, Coimbatore.	B.E., (Mech.) M.Sc.,
5.	Kanaraajar Dt.	G. Chidambara Nataraj	119, North Car St., Sivakasi - 626 123.	B.E. (Civil) M.Sc., M.E. (USA)
6.	Madurai	A.S. Rajasekaran	1/348, East Masi St., Madurai - 1.	B.E. (Civil)
7.	Madurai	C.R. Rajamanickam	Plot No. 786, AA Nagar, Madurai - 20	B.Sc., B.E., M.Sc., (Civil)
8.	Madras	V. Sunderam	20 Arcot Mudali St., T. Nagar, Madras - 17.	B.E. (Elect)

...2/-

-: 2 :-

1.	2.	3.	4.	5.
8.	Madras	V. Sundaram	20 Arcot Mudali St., T. Nagar, Madras - 17.	B.E. (Elec.)
9.	Madras	S. Shanmugasundaram	135, Chenniers Road, Madras - 35.	B.E. (Mech)
10.	Madras	M/s. Rites	636 Anna Salai, 5th Floor, Madras - 6.	Civil/Mech/Elec.
11.	Madras	S.P. Krishnaswamy	E2, Adyar Apartments, Kotturpuram, Madras - 85.	B.E. (Civil)
12.	Madras	T. Rengalingam	20, Thambiah Reddy St., West Mambalam, Madras - 33.	B.Sc., DMIT
13.	Madras	L. Kuttalanathan	50 A MIG Flats, Lattice Bridge Road, Indiranagar, Madras - 20.	B.E., (Civil)
14.	Madras	M. Subburaju	85, Habibullah Road, T. Nagar, Madras - 17.	B.E. (Mech)
15.	South Arcot Dt.	M.S. Abdulsalam	M.K. M.S. Sons Mills, Arakandanallur, PO Tirukollur, RS. S.A. Dt.	B.E., (Civil)
16.	South Arcot Dt.	R. Krishnaswamy	Balavilas, Papuutti S.A. Dt. 607 106.	B.E., (Civil)

...3/-

ANNEXURE - III

PANEL OF ENGINEERS/VALUERS -

1. Thiru M.V. Thomas, B.E.,
57 Periyar Nagar,
Thiruvottiyur,
Madras 600 019.
2. Thiru T.S. Padmanabhan, B.E.,
Superintending Engineer, PWD(Metd.)
2, Ramachandra Road,
T. Nagar, Madras 600 017.
3. Thiru T.K. Sadagopan, B.E.,
49, 10th Avenue,
Ashok Nagar,
Madras 600 083.
4. Thiru M. Sappany Pillai, B.E.,
23 (2nd Floor)
Euddy Begum St.,
Thousand Lights,
Madras 600 086.
5. Thiru T.K. Natarajan, B.E.,
Plot 1111, Street 50,
Korattur, MADRAS 600 080.
6. Thiru P.M. Sankaran, B.E.,
Block AL - 123,
12th Main Road,
Anna Nagar,
Madras 600 040.
7. Thiru K. Varadarajan, B.E.,
No.26, North Road,
West C.I.T. Nagar,
Madras 600 035.
8. Thiru Er. R. Muthukrishnan, B.E.,
9-H Polur Road,
Thiruvannamalai - 606 601.
9. Thiru Perumal Kabiler, B.E.,
C-6 Housing Board Colony,
Sirkali Road,
Chidambaram - 608 001.
10. Thiru J. Suresh, B.E.,
60 First Floor,
East Veli St.,
Madurai 625 001.

...2/-

11. Thiru A. Ramakrishnan, B.E.,
261 Brough Road,
(Near Manikoondur)
Erode - 638 001
12. Thiru N. Sukumar, B.E.,
7, Maravaneri II Cross,
SALEM - 636 008.
13. Thiru Er.B. Jayachandran, B.E.,
7 Old Market St.,
Fort, Salem - 636 001.
14. Thiru P.M. Natarajan, B.E.,
20 Subramanyaswamy Koil St.,
Pollachi - 642 001.
Coimbatore DT.
15. Thiru D. Ramalingam, B.E.,
Executive Engineer, PWD (Retd.)
42 Sivananda Colony,
Coimbatore - 12.
16. Thiru Mohamad Ismail, B.E.,
15, Highways Colony,
Trichy - 620 020.
17. Shri R.M. Mayileru &
Shri G. Lakshmanan,
236 * 3rd St.,
Gandhipuram, Coimbatore 641 012.
18. Thiru V. Ilanchezhian, M.E.,
102/3 Salai Road,
Woraiyur, TRICHY - 620 003.
19. Thiru S. Natarajan, B.E.,
Koradacheri, Thanjavur Dt.
Tamilnadu.
20. Thiru N.V. Sakthivel, B.E.,
Nattuchalai - Post,
Thanjavur District
Tamilnadu - 614 906.
21. Thiru Er.P. Perumal, B.E.,
30 Eswari Nagar,
Medical College Road,
Thanjavur - 613 004.
22. Thiru S. Sankaran, B.E.,
7A Meenakshipuram,
Tuticorin - 628 002.
23. Thiru R. Muthukrishnan, B.E.,
9-H Polur Road,
Hotel Aakaas,
Thiruvannamalai - 606 601.
24. Thiru E.G.Kulandaivedivel, B.E.,
76 Mathalangulam St.,
Thiruvannamalai - 606 601.

-: 23 :-

1.	2.	3.	4.	5.
17. Tanjore	P. Perumal	30 Eswari Nagar, Medical College Road, Tanjore - 7.	B.E. (Civil)	
18. Tirunelveli	S. Senkodi	4, Madurai Road, Tirunelveli - 627 001.	B.E. (Civil)	
19. Kanyakumari Dt.	M. Sivathanu Pillai	66A, Mather Sangam Road, Ramanputhur, Nagercoil 627 004	M.Sc., (Engg.)	
20. Kanyakumari Dt.	A.J. Kingsley Fernandez	P.B.No.20, 20 Court Road, Nagercoil - 1.	B.E., (Mech)	
21. Salem	P.S. Sundaragajan	171-L Palaniappa Nagar, Salem - 5.	B.Sc., (Tex.)	
22. Vellore	The Principal	Thanghal Periyar Govt. Institute of Technology, VELLORE - 632 002.		

~~Chartered Civil Engr Certificate~~
CE

ANNEXURE-II

BUILDING VALUATION CERTIFICATE

~~ENGINEER'S CERTIFICATE~~

1. Date of Inspection :
2. Name of the Unit and location :

I hereby certify that as against the estimated
cost of Rs. (Rupees
) of the building and civil works
for M/s
for their proposed project at plot the unit has so far
completed the civil works as under:

1. Value of completed civil works
as per the details given below:

Description of buildings	Type of building	Area constructed	Cost per sq.ft.	Total value
--------------------------	------------------	------------------	-----------------	-------------

- i.
ii.
iii.
iv.

----- Total -----

2. Value of materials at site :
3. Amount certified for payment
to the building (Civil and
structural) contractors :
4. Retention Money (from Civil
Contractor) .

PLACE:
DATED:

SIGNATURE & SE OF THE
CHARTERED ENGINEER

ANNEXURE III

NAME OF VALUER

~~FOR CENTRE FOR ECONOMIC RESEARCH~~

~~A CONSULTANCY FIRM SINCE 1988~~

~~TELEPHONE: 2010001-2010002~~

Date of Valuation:

1987

MACHINERY VALUATION REPORT

Sl. No.	Description of Machinery	Quantity	Year of mfg.	Name of Manufacturer/Supplier	Date of purchase	New or Old	Price paid	Estimated Life	Present estimated value	Rs.	Yrs.	Rs.
1		4	4	6	7	8	9	10	11			

Annexure
SIPLOT: PF/TERM LOAN
25-4-1991

SCHEDULE OF RATES FOR BUILDING & CONSTRUCTION

CIRCULAR

The approved schedule of rates for building & construction during the recent Board meeting has taken a decision in respect of construction cost for building in respect of projects promoted by entrepreneurs in Tamilnadu as given under:

The year 1991-92 are as follows -

Description	Plinth area rates for 1990-91				Plinth area rates for 1991-92			
	Madras		Mofussil		Madras & Coimbatore		Mofussil	
	LBW	FS	LBW	FS	LBW	FS	LBW	FS
	Rs.				Rs.			
<u>Non-residential building</u>								
(Factory Bldg. with RCC roof)								
Ground floor	170	210	150	185	195	255	165	205
First floor	145	185	130	170	170	230	145	185
Hospital buildings/ Hotels(RCC roof)								
Ground floor	185	250	175	225	215	300	190	250
First & sbusequent floors	165	230	145	205	190	275	165	225
Factory bldg/Godown with ACC sheet roof with 14'ht.								
i. With RCC column	140		130		155		145	
i. With LBW	135		125		150		140	
L.B.W.	LOAD BEARING WALLS							
F.S.	FRAMED STRUCTURES							

All Officers in PF/TERM LOAN are directed to follow the above guidelines in future for project appraisal purpose.

To
DMS PA
SS

TL II

NSS
29/4/91

AMs

VP

KS

CS

BS

DEPUTY GENERAL MANAGER(TL.I)

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LTD.
MADRAS

OFFICE ORDER

O.O.No. 17/92

Dt. 25.3.1992

Sub: Term Loan appraisal - Promoters
contribution.

It is seen that in many cases of Term Loan proposals, the promoter's contribution is being shown partly as share capital and partly as unsecured interest free loan. Unsecured interest-free loan is not a safe or dependable means of project finance since this is capable of manipulation. In all future cases, therefore, entrepreneurs should be asked to bring in their entire contribution as share capital only.

2. Only in exceptional cases and for reasons to be clearly recorded in writing will any portion of the promoter's contribution be permitted as unsecured interest-free loan. In such cases, it should be stipulated (i) that the amount shall be deposited in a no-lien account and utilised in full towards acquisition of plant and machinery (ii) that the company shall confirm in writing every year that the said amount continues to be in the account of the company and (iii) ^{the} the amount shall not be repaid during the currency of the loan.

To:


CHAIRMAN & MANAGING DIRECTOR

The General Manager (PF)

All Officers in Project Finance Dept.

Copy to: CMD's Table
P.S. to CMD

PS
25/3/92

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LTD.
MADRAS-8

OFFICE ORDER

O.O.No. 24/92

7

Dt. 7.4.1992

Sub: Joint Meetings with Institutions
in term loan cases.

Instances have come to my notice where Officers representing SIPCOT at Joint Meetings of Institutions held to discuss term loan cases have not represented the views of SIPCOT properly or given proper replies when complaints are made by one or the other of the Institutions about some action taken by SIPCOT. It is also seen that there are no instructions regarding the level at which SIPCOT should be represented at such meetings.

In future, at all such joint meetings, SIPCOT will be represented by an Officer not lower in rank than Asst. General Manager. The views of SIPCOT should be clearly stated at the meeting. If these are at variance with the majority views expressed at the meeting, SIPCOT's representative should insist on SIPCOT's views being incorporated in the minutes.



CHAIRMAN & MANAGING DIRECTOR

To:

All General Managers
All Deputy General Managers
All Asst. General Managers

Copy to: CMD's Table
P.S. to CMD

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED
19-A, Rukmani Lakshmipathy Road, Madras 600 008.

.o.27/92

Dated:23.04.1992.

OFFICE ORDER

Sub: Term Loan cases - Change
of Management - Personal
Guarantees - Property details.

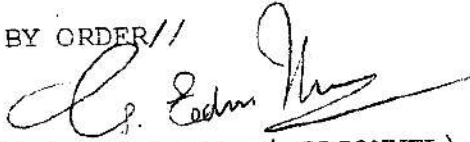
Where proposals for change of Management in Term
an cases involve change of guarantors, full details
the properties owned by the proposed.guarantors
all be obtained for examining the request.

sd/-B. VIJAYARAGHAVAN
CHAIRMAN & MANAGING DIRECTOR.

General Managers
Heads of Departments
Officers in Term Loan &
Follow up Departments.

to: The P.S. to CMD
CMD's Table

//FORWARDED BY ORDER//


DEPUTY MANAGER (PERSONNEL)

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LTD.,
19-A, Rukmani Lakshmipathy Road, Egmore, Madras - 600 008.

O.O.No. 31 /92

Dated: 8-5-1992

OFFICE ORDER

Sub: Term Loans - Sanction to cost over-run -
Delegation of powers to CMD.

In cases of term loans sanctioned by the Board where subsequently there is a cost over-run, CMD has, under the delegations approved by the Board on 20-3-1991, power to sanction additional term loan upto 15% of the project cost subject to a ceiling of Rs.25.00 lakhs. At the meeting of the Board held on 29-4-1992, this delegation has been amended as 15% of the original loan subject to a ceiling of Rs.25.00 lakhs.



B. VIJAYARAGHAVAN,
CHAIRMAN & MANAGING DIRECTOR.

To:

All Officers concerned.

Copy to:

CMD's Table.

P.S. to CMD.

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LTD.
19-A, RUKMANI LAKSHMIPATHY ROAD, EGMORE, MADRAS-600 008

O.O. No. 34 /92

DATED: 14.05.1992

OFFICE ORDER

Sub: Term Loan - Default in repayment -
Permission to repay the overdue in
instalments - Undertaking to be
obtained.

Ref: O.O. No.96/91 dated 6.12.1991

Whenever orders of Board/CMD are obtained permitting the units to repay overdues in instalments, the letter communicating the decision should be issued in proforma I annexed to this O.O. This letter will have as its enclosure Proforma II annexed to this O.O. which is intended to be filled up and returned by the party without any change.

In view of these instructions, Office Order No.96/91 dated 6.12.1991 is hereby cancelled.



CHAIRMAN AND MANAGING DIRECTOR

Encl: 1) Letter
2) Undertaking

TO

All General Managers,

The HODs concerned.

YV
12/5
20/11/92

12/5
C. R. (PER)

COPY TO:

P.S. to CMD

CMD's Table

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LTD.
MADRAS-8

O.O.No. 35/92

Office order

Dt. 19.5.1992

Sub: Joint Meetings of ~~the~~
Institutions.

As instructed in O.O.No.24/92 dated 7.4.92 whenever joint meetings of Institutions are held, SIPCOT will be represented by an officer not below the rank of Asst. General Manager.

2. If the representative has any doubts about the stand to be taken at the meeting on any issue, my orders should be obtained on the file.

3. The views of SIPCOT should be unambiguously stated at the meeting. If these are at variance with the majority views expressed at the meeting the SIPCOT representative should insist on SIPCOT's views being incorporated in the minutes.

4. If any substantiative issue arises at the meeting which is not covered by the orders on the file the SIPCOT representative should not give any commitment at the meeting on behalf of the Management.

5. Where there is a difference of opinion at the meeting and the views of SIPCOT are to be recorded in the minutes, the SIPCOT representative should insist on being shown the draft of the minutes before approval by the Chairman of the meeting.

6. Immediately on receipt of the minutes, the SIPCOT representative should be asked to

p.t.o.

confirm on the file whether the minutes are in accordance with the proceedings of the meeting and if there is any variation of a substantial nature an immediate rejoinder to the Chairman of the meeting should issue and a revision of the minutes asked for. Such cases should be promptly brought to my notice.

7. The SIPCOT representative should make it clear at the meeting that the minutes should not be communicated to parties other than the Institutions and if any instructions are to be communicated to the entrepreneur or other parties it should be by way of a separate letter since the minutes themselves should be treated as confidential.

8. These instructions will apply to all joint meetings with Institutions irrespective of the nature of the case.

 19.5.92

CHAIRMAN & MANAGING DIRECTOR

To:

All General Managers
All Deputy General Managers
All Asst. General Managers

Copy to: CMD Table
P.S. to CMD

*Completed
11
19.5.92*

O.O.No. 37 /92

Dated: 19-5-1992

Sub: Term Loans/IFST Loans - Recovery
proceedings - Litigation by loanees/
entrepreneurs.

In Office Order No.100/91, dated 17-12-1991
instructions have been issued that copies of all
foreclosure notices and foreclosure orders should
invariably be marked to all the financial institutions
and all other public sector organisations who have
rendered any form of assistance to the unit such as
by way of Term Loan, Working Capital, Seed Capital,
Subsidy, Equity, etc. ^{2.} Cases arise where the entre-
preneurs concerned initiate legal action against
SIPCOT in the course of the recovery proceedings
initiated by SIPCOT. In such cases ~~also~~ the conduct
of the entrepreneurs should be promptly brought to the
notice of all financial institutions/banks and all other
public sector organisations who have rendered any form
of assistance to the unit, so that they ^{could} ~~should~~ take
note of ^{his} ~~of the~~ litigant attitude, ~~of the entrepreneur.~~
in their dealings with ~~him~~.
(16 entrepreneur)


B. VIJAYARAGHAVAN,
CHAIRMAN & MANAGING DIRECTOR.

To:

All the Officers in the Project Finance *and Follow up & Recovery*
Department.

Copy to:

The CMD's table.

PS to CMD.

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LTD.,
19-A, Rukmani Lakshmipathy Road, Egmore, Madras - 8.

O.O.No. 39 /92

Dated: 22-5-1992.

OFFICE ORDER

Sub: Term Loan sanction - Joint appraisal cases.

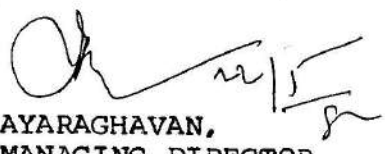
Ref: 1. Cir.No.32/91, dated 6-9-1991.

2. Cir.No.5/92, dated 10-1-1992.

-- ::: --

All cases of term loan sanctions involving joint appraisal by SIPCOT and other Institutions should be placed before the Screening Committee constituted in ^{the} Circulars ^{for} cited ^{and with the Circulars sent cited,} for making its recommendations to the Board even if SIPCOT is not the lead institution.

2. If the norms adopted in joint appraisal cases are more liberal than what is permissible under SIPCOT's guidelines that should be ~~specifically~~ highlighted for the specific approval of the Screening Committee and of the Board.


B. VIJAYARAGHAVAN,
CHAIRMAN & MANAGING DIRECTOR.

To:

The General Manager (PF)

All Officers concerned in Project Finance Department.

Copy to:

CMD's table.

P.S. to CMD.

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LIMITED,
19-A, RUKMANI LAKSHMIPATHY ROAD, MADRAS-8.

.....
OFFICE ORDER

O.O.NO.41/92

DATED : 26.05.1992

Sub : Master list prepared by Computer
Department for recovery review -
Reg.

.....

The master list prepared by Computer Department for recovery review by CID should contain all the live (sanction/legal/write off) cases as on date, without any omission of any case, duly certified by Accounts Department.

The particulars to be incorporated in the statement for review will include the following :

(i) Term Loan :

Details of the total outstanding principal overdues, interest dues, commitment charges.

(ii) IFST Loan :

Details of outstanding principal, details of over due principal, details of penal interest/commitment charges.

(iii) Subsidy :

Interest on bridge loan against subsidy relating to earlier period.

(iv) Seed Capital :

Soft loan principal outstanding, principal overdues, service charges/interest, investment in shares, interest on IDBI assistance. Likewise, soft loan principal outstanding, overdue principal, service charges, investment in shares etc., relating to direct involvement on SIPCOT assistance.

contd..

(v) Sundries :

This will include T.A. Recoverable, insurance paid on behalf of the company, legal expenses incurred, security expenses in respect of possession cases, expenses incurred for study report, valuation fees, etc.

The procedure to be followed by PF and F&R Department is given below :-

1. PROJECT FINANCE :

P.F. Department will mark the sanction letter to Accounts, F&R and MIS departments; like-wise the details of lapsing of the undrawn balance and cancellation of loan will also be communicated to all the above three departments. The Accounts Department will open the account immediately on receipt of the sanction letter and also incorporate the same in their records on receipt of the information from PF and F&R.

To ensure the collection of investigation fees, it is proposed to consider the loan application as a full-fledged application only on receipt of the investigation fees. Till receipt of investigation fees, the application of the entrepreneur or assisted unit will be considered only as an enquiry. In respect of assistance considered for sanction, the sanction order will be issued only on collection of investigation fees to ensure any possible omission.

2. FOLLOW UP & RECOVERY:

F&R Department will communicate copy of all the approvals in respect of reschedulements, waiver of penal interest, funding of interest dues etc., to Accounts Department.

..contd

3. COMPUTER DEPARTMENT:

The Computer Department will update the master list for recovery review based on the particulars furnished by other Departments. The above procedure should be strictly adhered to with immediate effect.

sd/- B. VIJAYARAGHAVAN
CHAIRMAN & MANAGING DIRECTOR.

To

All Officers in SIPCOT.

Copy to: P.S. to CMD
CMD's Table.

//FORWARDED BY ORDER//


DEPUTY MANAGER (PERSONNEL)

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LTD.
MADRAS-8

OFFICE ORDER

O.O.No. 149/92

Dt.4.6.1992

Sub: Term Loan to entrepreneurs
who have been given term loan
earlier.

When an application for term loan from
an entrepreneur who had already been sanctioned
term loans earlier by SIPCOT is processed it is not
sufficient to ^{ascertain whether} ~~state whether~~ ^{he has} ~~any~~ arrears at
the time the application is being processed,
since even a chronic defaulter can pay up his arrears
just for the purpose of getting the fresh loan.
The entrepreneur's entire track-record in respect
of the timely repayment of the instalments of
principal and interest in the earlier loans from
SIPCOT should be furnished to enable a decision
being taken on whether it is safe to trust him
with a further loan.

2. When the applicant has taken loans from
other financial institutions/Banks and those
Institutions/Banks are addressed for NOC, we must
request them to specifically state whether the
entrepreneur's track-record ^{will} ~~be~~ reference to the
timely repayment of the loan is ~~sufficient~~ ^{satisfactory}.
Similarly, when SIPCOT furnishes NOC to other
financial institutions/Banks we must give the same

Dmcp)
4/6
checked
(Wan)
atbcr

informa^{tion}~~ly~~ and not just say whether he is
in any arrears at present or not.



CHAIRMAN & MANAGING DIRECTOR

To:

All General Managers
All Heads of Departments

Copy to:

CMD's Table
P.S. to CMD

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LIMITED,
19-A, RUKMANI LAKSHMIPATHY ROAD, EGMORE, MADRAS - 600 008.

OFFICE ORDER

O.O.No.50/92.

Dated: 5-6-1992.

Sub: Procedure for transfer of files from
Project Finance Department to Follow-up
and Recovery Department.

(1) After final disbursement and after making the refinance claim (with a copy to refinance cell) and after ensuring the compliance of outstanding issues the file should be transferred within a period of 15 days. In case the outstanding issues could not be complied with due to the reason beyond the control of the promoter, i.e., issues to be sorted out between the institutions, the same should be clearly indicated at the time of transfer of file.

(2) The check list should contain inter-alia the following positively:

(a) The details of the assets considered for the disbursement on various stages and the same should be consolidated and furnished clearly indicating the quantum, specifications, value, etc., in respect of land, building and plant and machinery. A list of plant and machinery should be attached.

(b) A brief summary sheet should be attached duly indicating the details of NF Page, CF Page and dates of major items.

(3) In respect of partially disbursed cases after obtaining approval of CMD for lapsing of the undrawn balance, the file should be transferred with the compliance of the conditions contained in 1 and 2 above.

(4) In respect of cases where no disbursement was made but some dues are to be collected, the same should also be transferred by furnishing all necessary informations.

(5) All pending cases as on date with Term Loan I & II departments should be transferred furnishing all necessary details forthwith, with a certification by HOD for compliance of the above.

B. VIJAYARAGHAVAN,
CHAIRMAN AND MANAGING DIRECTOR.

To
All General Managers,
All Heads of Departments.

Copy to: CMD's Table.
PS. to CMD.

//Forwarded By Order//

DEPUTY MANAGER

ks/86

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED
19-A, Rukmani Lakshmipathy Road, Egmore, Madras - 8.

No. 581 / 92

dt. 9/06.1992

OFFICE ORDER

Sub : Term Loan for projects in Hill areas
- - -

In letter No.24059/M4/92-5 MA&WS Dept,
dt. 3.6.'92, Government have asked the Financial
Institutions to insist on approval by Government
of building plans in cases of sanction of term
loans which involve buildings in hill areas. These
instructions are brought to the notice of Officers
dealing with term loan sanction for compliance.



CHAIRMAN & MANAGING DIRECTOR.

To

All Officers in Project Finance

Copy to :

CMD's table

P.S. to CMD

Internal Audit Dept.

compared 9/6
S. G. S.
10/6

DRAFT.

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LTD.
19-A, RUKMANI LAKSHMIPATHY ROAD, EGMORE, MADRAS-8.

O.O.NO. 55/92

Dated: 30-6-92

OFFICE ORDER

Sub:- Principal Demand for Demand
collection balance statement.

The present procedure of treating the
entire outstanding principal as overdue and charging
penal interest treating the entire principal outstanding
as overdue when ^a ~~the~~ foreclosure notice is issued will
stand modified as under:

1. Only the principal component which has fallen
due on the date of issue of foreclosure notice
and subsequent instalments falling due for
subsequent period will be treated as overdue.
2. The penal interest shall be charged only in
respect of the actual principal overdue and
on overdue interest.

This order will be ^{take} ~~given~~ effect from
1-4-92.

Chen 6
CHAIRMAN & MANAGING DIRECTOR.

8/25/6
AM(A)

on leave
DGM(L&A)

P. S. 26/6/92
GM (PF)

m 26/6/92
GM (F&R)

m 30/6
DGM/L

To

General Manager (PF)
General Manager (F&R)
All Heads of Departments,

Copy to:

P.S. to CMD.

*Confirmed
by
H. S. H. A.*

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LTD.,
19-A, Marshalls Road, Egmore, Madras - 600 008.

-- ::: --

O.O.No. 56/92

Dated: 10-7-1992

OFFICE ORDER

Sub: Term Loans

-- ::: --

It is seen that it has been the practice in cases of term loans to allow savings in the sanctioned project cost under particular items to be utilised towards over-run under other items. This is not correct. This gives scope for inflation of estimates for sanction under particular items with a possible motive of showing savings later-on to facilitate such adjustments. This also gives scope for loan assistance being given to cost over-runs without proper scrutiny and without making the promoter liable to meet part or whole of the excess expenditure.

2. If there are any savings under any item, to that extent the sanction will get reduced. If there ~~is~~ ^{over-run} under any item that has to be examined separately and a decision taken, depending on the circumstances in which the over-run has taken place, on the extent to which an additional loan is justified and the extent to which the promoter himself has to meet the over-run.



B. VIJAYARAGHAVAN,
CHAIRMAN & MANAGING DIRECTOR.

To:

The General Manager (Project Finance).
The General Manager (Follow-up & Recovery).
All Officers in Project Finance and FU & Rec. Departments.
The Assistant General Manager (Internal Audit).
All Officers in the Internal Audit Department.

Copy to:

CMD's Table.
PS to CMD.

*Sd/-
Compared
10.7.92*

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED
19-A, Rukmani Lakshmipathy Road, Madras - 600 008.

OFFICE ORDER

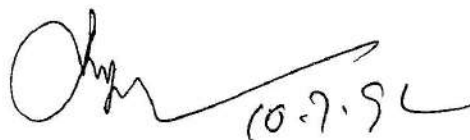
O.O.No. 57/92

Dt : 10.7.1992

Sub : BIFR - Rehabilitation Packages-
No premature communication to
companies and no premature action.

- - - - -

Cases have come to my notice of BIFR cases where even though the rehabilitation package is only at the consideration stage, the package is communicated to the company concerned by the office of SIPCOT. In some such cases, SIPCOT has also initiated action to discharge its obligations under the proposed package. These procedures are not in order and will place SIPCOT in a disadvantageous position or create complications if, for one reason or the other, the package is not finally approved by BIFR or is approved with modifications. It is, therefore, ordered that in all BIFR cases no advance action should be taken by us or intimation about the proposal sent to the company before the package is finally approved by BIFR.



CHAIRMAN AND MANAGING DIRECTOR.

To :

General Manager (F&R)

Dy. General Manager (SUR)

Copy to

A.G.M. (I.A)

CM D's Table
P.S. & CM D.

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LTD.
(19-A, Rukmani Lakshmipathy Road, Madras-8.)

70
No. 38/92

Mr. Chelur
CIRCULAR

Dt : 31.7.92

Sub : Deferment of Sales Tax for 5 years to
Sick Units under BIFR purview-Govt. Orders

.....

In G.O.Ms.No.191, Industries (MIG.I) dt.20.5.92
Government have decided to defer the payment of sales tax
in deserving cases upto five years from the date of commencement
of Rehabilitation of the Sick Units or the date from which BIFR
declares the unit as sick whichever is later. The repayment of
deferred amount of sales tax will commence in the year immediately
after the deferral period is over along with the current dues
in the respective year.

B. Vijayaraghavan

(B. VIJAYARAGHAVAN)
CHAIRMAN AND MANAGING DIRECTOR.

To

G.Ms/DGMS/AGMS

Copy to

CMD's Table

AGM(IA)

P.S. to CMD

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31/7
Mgr.

Om
31/7
DBM (SIC)

31/7/92
GM(FTR) 2/3

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LTD.
MADRAS-8

O.O.No. 75/92

Office order

Dt. 18.8.92

Sub: Term Loan - Repayment of - Concessions
granted to Companies - Sacrifices by
SIPCOT - Right of recompense.

Whenever SIPCOT extends concessions
in ^{the matter of} recovery of term loan from assisted companies
in consideration of the problems faced by ^{them} ~~the companies~~,
it is necessary to incorporate a recompense clause
empowering SIPCOT to demand reimbursement
of the losses to SIPCOT involved in the concessions
as and when the unit turns the corner. This is
the accepted procedure even now. But this is
reiterated here in order to ensure that there is no
omission to incorporate the recompense clause in all
such packages.

Office should keep a close watch on the
performance of the company and, as and when the
company's financial position sufficiently improves,
the recompense clause should be ^{invoked} ~~involved~~ and a
demand made on the company to make good to SIPCOT
the losses suffered in ~~the~~ package. This calls for
close monitoring of the financial results of such
companies at all stages. Office should be
particularly alert in cases where the company
approaches SIPCOT for NOC for raising additional
loans, declaration of dividends ^{or with} ~~and~~ other similar
requests.


CHAIRMAN & MANAGING DIRECTOR

... 2.

D 170

To:

The GM (PF & D)

The GM (F & R)

The GM (A & L)

All Officers in PF & F&R

The Asst. G.M. (IA)

Copy to:

CMD's Table

P.S. to CMD

D.O. No. 79/92



Dated: 7-9-1992

OFFICE ORDER

Sub: Term Loans -Procedure governing
Enquiries and Applications.

A clear distinction has to be maintained between term loan enquiries and term loan applications. A term loan application shall be in the prescribed format printed and supplied by the Corporation and accompanied by all relevant documents as in the check-list furnished with the application and also by Demand Draft for Investigation fee, i.e. 0.25% of the term loan applied for subject to a minimum of Rs.5,000/- and a maximum of Rs.35,000/-.

2. An application which is not complete as above, including the investigation fee, will be treated only as 'Enquiry' even if it is furnished in the printed application form. In other words, enquiries may be of two types, viz. (i) on plain paper, or (ii) in the printed application form but not accompanied by all the relevant documents as in the check-list and/or investigation fee.

3. On receipt of any enquiry on plain paper it will be entered in the Enquiry Register in the format in Annexure-I and action taken to furnish the required information to the entrepreneur without delay.

4. On receipt of an application in the prescribed printed format, a preliminary scrutiny will be made immediately to see whether all the required documents and investigation fees in full have been received. If they have been so received, the application will be entered in the Application Register in the format in Annexure-II and the applicant informed of the Registration number and date of Registration. If they have not been so received, the application will be treated as 'Enquiry' and entered in the Enquiry Register and the entrepreneur asked to furnish the required documents and/or investigation fee within a reasonable time to be specified in the circumstances of the individual case. On receipt of the required documents and/or the full investigation fee alone, the case will be transferred from the Enquiry Register to the Application Register and the applicant informed of the Registration.

....2

5. In respect of cases entered in the Enquiry Register only for want of part or whole of the investigation fee, if the fee called for is not received within a month the case will be closed and the entrepreneur informed. In respect of cases entered in the Enquiry Register for want of any documents, if the documents called for are not received within a reasonable time depending on the circumstances of the case, the case will be closed and the entrepreneur informed. In the latter category of cases, if the investigation fee had been paid, that will be refunded in full.

6. Occasions may arise where the loan sanctioned is in excess of the amount applied for as, for instance, where, in the interests of the project, it is found prudent for SIPCOT itself to meet the entire loan component of the project cost instead of partly by SIPCOT and partly by another Institution or Bank as proposed by the applicant. Where such change in mode of financing is proposed at the stage of appraisal or at the meeting of the Screening Committee, the concurrence of the applicant should be obtained in writing before the case is placed before the Sanctioning Authority, viz. the M.D. or the Board as the case may be. Where such change in mode of financing is decided by the Sanctioning Authority, the sanction order should be issued only after getting the concurrence of the applicant in writing.

7. The following instructions are issued in regard to investigation fee (vide Resolution of Board dt. 26.8.92):

I. As already stated, applications will be registered as such only after a preliminary scrutiny to see whether all the prescribed documents and investigation fees in full have been furnished. Once the application is registered as such, investigation will be deemed to have commenced.

II. If the application results in sanction irrespective of whether the sanction is availed of or not, no part of the investigation fees will be refunded.

III. If subsequent to the sanction of the loan by SIPCOT for a project, an additional loan is sanctioned by SIPCOT for the same project either in replacement of a loan proposed to be sanctioned by another Institution/Bank or to meet cost over-run or for any other reason, the investigation fee will be levied and collected afresh for the additional loan as if for a new application.

...3

IV. Where in respect of a project which has already been sanctioned a loan, reappraisal is done in the context of extension of period of validity or for any other reason, investigation fee will be collected afresh as if for a new application.

V. If the application does not result in sanction, the whole or part of the investigation fee will be refunded or forfeited, as the case may be, in the manner given below:

i) If the loan is not sanctioned entirely due to external factors, such as the project not being eligible for loan or the proposal becoming non-viable due to changes in policies of Government or Financial Institutions, or if the applicant withdraws the application for the same reasons, the investigation fee will be refunded in full.

ii) If the loan is not sanctioned for want of documents/information called for from the applicant and if these could not be furnished by the applicant for reasons not attributable to him or his co-promoters or associates, fifty percent of the investigation fee will be refunded.

iii) If documents/information called for from the applicant are not furnished for reasons attributable to the applicant or his co-promoters or associates, the investigation fee will be forfeited in full.

iv) If the applicant withdraws the application at any stage for reasons other than in (i) above, the investigation fees will be forfeited in full.

v) If the loan is not sanctioned for reasons other than in (i) above, no part of the investigation fees will be refunded.

vi) If there is a variation between the amount of term loan applied for and the amount sanctioned, refund or recovery, as the case may be, of the difference in investigation fees will be made in accordance with the prescribed ratio for levy of investigation fees.

vii) If any further amount has to be collected towards investigation fee over and above what had been paid, as, for instance, in circumstances stated in para 6 above, the sanction order should issue only after the difference is collected.



....4

7. The following portions of the Term Loan application forms are in need of revision

- i) Page 1-2 (items No.1 and 2)
- ii) Page 42 (Guidelines for filling up the Application)
- iii) Page 49 (Check list for Enclosures)

The revised formats of the above are in Annexure-III. These will be printed and substituted for the existing pages in the application form. Pending printing, typed copies will be substituted.

Sd/-xxxxx *[Signature]* *9.9.92*
(B.VIJAYARAGHAVAN)

Annexures I, II & III

CHAIRMAN AND MANAGING DIRECTOR.

To

All GMS & HODs

All Officers in Project Finance Dept.

Copy to:

CMD's table

PS to CMD

AGM(IA)

[Signature]
/FORWARDED BY ORDER/

[Signature]
GENERAL MANAGER (PF&D)

[Signature]
7.9.92

ANNEXURE-I

TERM LOAN ENQUIRY REGISTER

Sl. No.	Dt. of receipt of Enquiry	Name of the unit/address	Location	Scheme	Product	Project cost	Term Loan applied for (Rs.in lakhs)	Investigation fee, if paid (Rs.)	Date of issue of first reference to the Co.	Date of transfer of case from Enquiry Register to the Application Register	If closed without transfer to Application Register, reasons for the same.	Attestation of HOD for entry in Col. 11 or 12
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)

Ch

TERM LOAN APPLICATION REGISTER

ANNEXURE-II

Sl. No.	Dt. of receipt of appln.	Dt. of Regis- tration of app- lication	Name of the unit/ address	Loca- tion	Scheme	Pro- duct	Pro- ject cost	Term Loan app- lied for	Inves- tigation fee paid	Whether sanc- tioned or reject- ed	Term Loan sanc- tioned	Inves- tigation fee collec- table w.r.t. 10, action taken	If in Col. 13 is diff- erent from @ in Col. 10	Date of sanc- tion or rejec- tion	Attes- tation of HOD for entries in Col. 15
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED
 19-A, RUKMANI LAKSHMIPATHY ROAD, EGMORE, MADRAS-600 008

Application for financial assistance

Date:

1. GENERAL:

1.01. Name of the Industrial Concern
 (in block letters)

1.02. Address and Telephone Nos.
 Telegraphic address/Telex No.

a) Registered Office (in case
 of Corporate Bodies)

b) Controlling (Head) Office

c) Factory (existing and
 proposed)

d) Address for correspondence

e) Is it a Backward area
 eligible for concessional
 finance from Institutions/
 Govt. Subsidy?

1.03. a) Constitution :

☐ Partnership

☐ Private Limited Company

☐ Public Limited
 Company

☐ Co-operative Society

(If Joint Sector, please indicate the name of the Govt.
 Corporation which is the co-promoter)

b) Does the Company have
 participation in equity
 from a Govt. Corporation ?
 If so, give the name of the
 Corporation and the equity
 ratio.

c) Date of incorporation/
 Registration

d) Date of commencement of
 business

e) Name of the industrial group/
 details of subsidiary concerns/
 holding company if any (Give
 the details of their activities)

f) Whether the Company comes under
 MRTP Act, if so, give details.

1.04. Industry:

a) Name of the product(s)
 manufactured/to be manu-
 factured and their uses.

b) Details of by-products, if
 any, and their uses.



Om

- 1.04. c) Whether it is small scale industry.
If so, details of registration.
- d) Please state whether your unit will be entitled to the import of capital goods free of duty or at concessional rate of duty.
- i) As a 100% Export Oriented Unit; or
- ii) being located in an Export Processing Zone; or
- iii) under any other scheme
- e) If answer to (d) above, is Yes, please indicate
- i) Nature and extent of duty concession
- ii) Nature, extent and duration of export obligation or any other obligation to be fulfilled against duty exemption/concession.
- iii) Amount of duty concession in Rs. (% with respect to CIF)
- iv) Whether any legal agreement/bond/guarantee has been executed with any licensing authority or customs authority or any other authority for availing the duty exemption/concession

2.0. MANAGEMENT :

- 2.01. List of Directors and their percentage of shareholding in the proposed scheme.
- 2.02. Names of associate companies in which each Director is interested
- 2.03. Whether the associate companies have availed any financial assistance, if so, Name of the Bank/Institution and details of assistance (sanctioned/availed/outstanding/overdues) may be indicated.
- 2.04. Name(s) and address(es) of Bank(s) with whom enquiries may be made regarding the applicant concerned and the promoters. Authority Letter from the promoter's company for Bank to discuss with the lending institution
- 2.05. Whether any Government inquiry, proceedings or prosecution has been instituted against the unit/promoters/Directors/Holding Company/Sister concern.
- 2.06. Details of pending litigation, if any, against and by the concern as in 2.05.
- 2.07. State whether any of the promoters or Directors have at any time been declared insolvent.
- 2.08. Particulars of existing key technical and executive staff, Names, age, qualification, salaries, length of service (Proforma-II)
(Enclose organisation Chart showing the lines of authority).



GUIDELINES FOR FILLING UP APPLICATION:

This application form is for a term loan for new projects or for expansion/diversification/modernisation/improvement/supplementation of plants.

2. The applicant should furnish the details against all items in the form. If any item is not applicable, it should be so stated.

3. All documents as in the annexed checklist should be furnished. If any document is not applicable, it should be so stated. ~~in the checklist.~~

4. On receipt of application, a preliminary scrutiny will be made to see whether all the required documents and investigation fee in full have been received. Only if they have been so received, it will be entered in the application register and the applicant informed of Registration No. and date of registration. If they have not been so received, it will be treated as an enquiry and the applicant will be asked to furnish required documents and/or investigation fee within the prescribed time. On receipt of the required documents and/or investigation fee alone, the case will be treated as an application and registered.

At this stage, the investigation will be deemed as commenced

5. If the application is not accompanied by any of the required documents and investigation fee in full ~~within~~ *and if these are received when called for,* the prescribed time, the case will be closed and the applicant informed. In such case, if the investigation fee had been paid in full, it will be refunded in full.

not received within

OK OK

6. If a registered application is not ultimately sanctioned for any of these loans due to one reason, or the other, the whole or part of the investigation fee will be considered for refund or forfeiture ~~as the case may be~~ *with reference to the policy decisions of the Board from time to time.*

~~I. Applications will be registered as such only after a~~

~~preliminary scrutiny to see whether all the prescribed documents and investigation fees have been furnished. Once the application is registered as such, investigation will be deemed to have commenced.~~

~~II. If the application results in sanction irrespective of whether the sanction is availed or not, no part of the investigation fees will be refunded.~~

~~III. If the application does not result in sanction, the whole or part of the investigation fee will be refunded or forfeited, as the case may be, in the manner given below:~~

~~i) If the loan is not sanctioned entirely due to external factors, such as the project not being eligible for loan or the proposal becoming non-viable due to changes in policies of Government or Financial Institutions or if the applicant withdraws the application for the same reasons, the investigation fee will be refunded in full.~~

~~ii) If the loan is not sanctioned for want of documents/information called for from the applicant and if these could not be furnished by the applicant for reasons not attributable to him or his co-promoters or associates, fifty percent of the investigation fee will be refunded.~~

one
GL

iii) If documents/information called for from the applicant are not furnished for reasons attributable to the applicant or his co-promoters or associates, the investigation fee will be forfeited in full.

iv) If the applicant withdraws the application at any stage for reasons other than in (i) above, the investigation fees will be forfeited in full.

v) If the loan is not sanctioned for reasons other than in (i) above no part of the investigation fees will be refunded.

vi) If there is a variation between the amount of term loan applied for and the amount sanctioned refund or recovery as the case may be, ^{of} the difference in investigation fees will be made in accordance with the prescribed ratio for levy of investigation fees.

7. ~~IV.~~ If subsequent to the sanction of the loan by SIPCOT for a project, an additional loan is sanctioned by SIPCOT for the same project either in replacement of a loan proposed ^{to} be sanctioned by another Institution/Bank or to meet cost over-run or for any other reason, the investigation fee will be levied and collected ^{for the additional loan} afresh as if for ~~a~~ new application.

8. ~~(b)~~ Where in respect of a project which has already been sanctioned a loan, reappraisal is done in the context of extension of period of validity, ^{or for any other reason} investigation fee will be collected afresh as if for a new application.

CHECK LIST FOR ENCLOSURES

(Note :- Say whether enclosed. If not enclosed, reasons therefor *to be given*)

1. A copy of clearance from Government for MRTP concerns.
- One* 3. Copy of Legal Agreement/^dbon/guarantee executed with any Licensing Authority or customs authority or any other authority for availing the duty exemption/concession (1.04)
- One* 4. a) Bio-data of Promoters/Directors (2.01) (Proforma-I)
b) Copies of IT returns of the Promoters/Directors along with copies of Assessment orders for last three years (2.01)
- One* 2. Copies of Memorandum of Association (for ^{2 Article,} ^{Limited} ^{1.03} ~~Ltd.~~ Companies - ^{1.03} 2.02) *One*
5. Audited Balance Sheet, P&L Account for two years of the promoter company (2.02)
6. Copy of Agreement among Promoters (2.02)
7. Details of Technical/Managerial personnel (Proforma-II)
8. Organisation Chart (2.08)
9. Authority Letter from Promoter to Commercial Bank/Institution (2.04)
10. List of share holders controlling ^{*One*} ~~42% or more~~ ^{*Two percent*} or more of equity shares (3.02)
11. Note on Company's tax status (3.03)
12. Details of Fixed Assets (Proforma-III)
13. Particulars of credit facilities enjoyed by the concern (Proforma-IV)
14. Feasibility Report (4.01)
15. Brochure on collaborators (4.06)
16. Copy of Collaboration Agreement (4.06)
17. Copy of Government approval for collaboration (4.06)
18. Copy of Agreement with consultants (4.08)
19. Copy of Government approval in case of foreign consultants (4.08)
20. Sale/Lease Deed for land or copy of agreement for sale/lease in case of private land.

21. Copy of soil test report in case of private land.
22. Copy of the Government Order converting land into industrial land, if applicable (4.11)
23. Locational Map (4.11)
24. Site Plan (4.11)
25. Particulars of arrangements made/proposed for construction of building (Proforma-V)
26. Details of imported/indigenous plant and machinery (Proforma-VI) (4.14)
27. Copy of letter from Tamilnadu Electricity Board on power feasibility.
28. Copy of electrical lay-out of the plant (4.21) and piping lay-out if applicable.
29. Preliminary and Pre-operative expenses (Proforma-VII A)
30. Provision for contingencies (Proforma-VII B)
31. Margin money for working capital (Proforma-VIII)
32. Copies of letters sanctioning assistance (6.03)
33. List of persons/firms contributing to promoters share (6.06)
34. Copies of market survey reports (8.0)
35. List of customers/particulars of firm (8.06)
36. Cost of production and profitability as per Proforma-IX (9.01)
37. Cash flow statements as per Proforma-X (9.02)
38. Projected Balance Sheet for 5 operating years Proforma-XI (9.03)
39. Government consents (11)
40. Copies of licences/consents received (11.01)

 —  —

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LTD.
19-A RUKMANI LAKSHMIPATHY ROAD, EGMORE, MADRAS-8

O.O.No. 80/92

Dated: 9.92

OFFICE ORDER

Sub: Exemption from stipulation
of personal guarantee clause
for Coop. Societies for Term Loan,
Subsidy etc.

.....

With reference to the decision of the
Board at its meeting held on 26.8.92, Cooperative
Societies are hereby exempted from the condition
relating to furnishing of personal guarantees by
Directors in Term Loan, Subsidy etc. cases as in
the case of Public Sector Undertakings.

CMD.

To

All Officers in Project Finance.

Gm (PF&D), Gm (F&R), Gm (L&A)

Copy to: CMD's Table

P.S. to CMD

AGM (IA)

4/9/92
AM

8m
4.9.92
DGM (O&I)

4/9/92
Gm (PF&D)

Sr,
F.C. Compared
8/9/92

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LTD.,
19-A, Rukmani Lakshmipathy Road, Egmore, Madras-8.

-- ::: --

O.O.No. 84/92

Dated: 15-9-1992

OFFICE ORDER

Sub: Jointly assisted Units - Defaulted
cases - Legal action.

-- ::: --

It has come to my notice that in certain cases jointly assisted by SIPCOT and TIIC where the unit had defaulted and legal action had become necessary, we had asked TIIC to initiate legal action either on the ground that TIIC was the lead institution or on the ground that the unit was a small-scale unit. This procedure is not correct. Irrespective of who the ^{lead}~~legal~~ institution is or the size of the unit or any other consideration, when SIPCOT finds legal action is necessary for default in payment of dues to SIPCOT, legal action should be initiated by SIPCOT itself.



B. VIJAYARAGHAVAN,
CHAIRMAN & MANAGING DIRECTOR.

To:

General Managers.

Dy. General Managers.

Assistant General Managers.

Copy to:

Assistant General Manager (Internal Audit).

CMD's table.

P.S. to C.M.D.

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LTD.,
19-A, Rukmani Lakshmipathy Road, Egmore, Madras-8.

-- :: --

O.O.No. 86/92

Dated: 15-9-1992

OFFICE ORDER

Sub: *Term loan cases —*
Approval for declaration of dividend.

-- :: --

Under the conditions *governing* ~~for~~ sanction of term loan, the borrowing company, before declaring dividends during the currency of the loan, should obtain the prior permission of SIPCOT in writing in the following two categories of cases:

Category-I: When the company is in default in payment of its dues to SIPCOT in any accounting year and yet proposes to declare dividend.

Category-II: When the company proposes to declare dividend in excess of 15%.

2. Project Finance and Follow-up and Recovery Departments should, before putting up the file to CMD for orders on the company's request, ensure that the following is done in the above two categories of cases.

Category-I: The overdues from the company should be collected in full.

..2..

Category-II: The company should be ^{made}~~asked~~ to remit to SIPCOT an amount equal to the difference between total dividend amount payable at 15% and at the enhanced percentage proposed. This amount will be adjusted against the last instalment(s) of repayment due.



B. VIJAYARAGHAVAN,
CHAIRMAN & MANAGING DIRECTOR.

To:

All General Managers.

All Dy. General Managers.

All Asst. General Managers.

All Officers in PF and FU & Rec. Departments.

Copy to:

Asst. General Manager (Internal Audit).

CMD's table.

PS to CMD.

Checked.
16/9/92

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LTD.
MADRAS-8

O.O.No. 88/92

Dated 22.9.1992

OFFICE ORDER

Sub: Re-organisation of Project
Finance Department.

In supersession of the previous orders on the
subject, the following orders are issued :

The Project Finance Department will be
divided into (1) Appraisal Department and (2) Operations
and Incentives Department.

(1) APPRAISAL DEPARTMENT:

Enquiries, applications, appraisals and
sanction of term loan, soft loan/seed capital assistance
and maintenance of records relating to the same.
After the refinance sanction is obtained, the file
will be transferred to the Operations and Incentives
Department.

(2) OPERATIONS AND INCENTIVES DEPARTMENT:

(i) OPERATIONS:

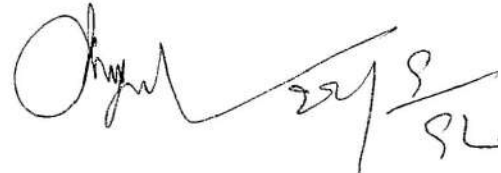
Disbursements of term loan, soft loan/seed capital
assistance, monitoring of assisted units during
the operations phase ^{drawal} _{refinance} from IDBI,
recovery of term loan overdues from assisted units
till the case is transferred to Follow-up and
Recovery Department. As already instructed in
O.O.No.50/92 the file will be transferred to Follow-up
and Recovery Department within 15 days of completion
of disbursement.

Completed

23/9/92

(B) INCENTIVES:

Sanction and disbursement of subsidy,
issue of Eligibility Certificate under Sales Tax
waiver/deferral Schemes. After the disbursement ~~is~~ of subsidy is
made in full, the file will be transferred to
~~Recovery and Follow-up~~ ^{and Recovery} Department. The allocations
of staff to the two Departments is annexed.



CHAIRMAN & MANAGING DIRECTOR

All Officers in the Head Office

Copy to:

All Project Officers
All Regional Managers
CMD's Table
P.S. to CMD
AGM (IA)

W. D.M. 12
T.K.

O.O.No.

89/92



Dt: 9/9-1992

OFFICE ORDER

Sub: Revised guidelines governing maintenance of files relating to sanction of Term Loan and disbursement.

The following instructions are issued in regard to the procedures governing maintenance of files relating to sanction of term loan and disbursement. This is in partial modification of the existing procedures:

- (1) As instructed in O.O. No.79/92 dated 9.9.92 the application for term loan will be treated as such and registered only on getting it in a complete shape with all the documents as in the checklist and the full investigation fees. The application file should start only at this stage and the papers up to this stage will be treated as enquiry file and stitched and kept separately.
- (2) The application file should be continued as such till the final orders are passed on the same by the sanctioning authority. Once the final orders are passed and letters issued to the applicant, the file should be stitched neatly.
- (3) The application file should have as its first sheet a history sheet as in Annexure-I which ^{should} ~~shall~~ be updated as action progresses.
- (4) A copy of the final note for sanction placed before the sanctioning authority, an extract of the orders passed and a copy of the sanction order issued to the applicant should be taken and the disbursement file will commence with these papers.

(5) The first sheet of the disbursement file should be a history sheet as in Annexure-I.

(6) The note for disbursement should be as in the proforma in Annexure-II. This should form part of the note file and not of the current file as at present.

(7) There may be cases where dues have to be recovered from the loanee towards plot cost, maintenance charges, water charges etc. in cases where the unit is located in a SIFCO Industrial Complex. There may also be other recoveries due for which information will be available in the Accounts Department. The disbursement note should therefore be routed through the concerned AGM (Area Development) and the DGM(A) who will give the particulars of recoveries due against the appropriate column in the disbursement note as an Annexure-II. If there are no dues ~~that~~ ^{should} be stated ^{accordingly}. These entries should be attested by AGM(AD) ^{and} DGM(A). ^{and}

(8) The disbursement file will be continued till all the disbursements are complete and, thereafter, stitched neatly and then transferred to the Follow-up Department.

(9) All correspondence with the IDBI in regard to refinance should be in a separate file to be maintained by the Operations Department.


(B. VIJAYARAGHAVAN)

CHAIRMAN AND MANAGING DIRECTOR

To

All General Managers

DGM(A), AGMs(AD)

All the Officers in PF Department

All the Officers in Operations Department

AGM(A)

CC: CMD's table

P.S. to CMD

DGM(TL.I)

GM(PF&D)

Sir,

Retyped as corrected
& put up b1


14/9/62

resubmitted on 21.9.62

HISTORY SHEET

PROJECT FINANCE

APPRAISAL

File No.

1. Name of the Unit :
2. Date of incorporation :
New/Existing
3. Location Regd. Office : Phone/Telex

Factory :
4. Promoters/Directors :
5. List of Promoter Interested concerns :
6. Product and capacity :
7. Date of receipt of Enquiry :
8. Date of first issue of Letter by SIPCOT :
9. Date of full information as per check list :
10. Date of receipt of Investigation fee :
11. Date of closure of file :
12. Date of Refund of Investigation fee :
13. Amount refunded :
14. Date of Screening Committee Meeting :
15. Date of sanction by CMD/Board :
16. Date of acceptance of sanction order by Co. :
17. Date of RF appln. with IDBI :
18. Date of RF sanction :
19. Date of Transfer of file to Operation Department :

ms

st

19. PROJECT COST

As proposed
by co. (Rs. in lakhs)

As approved
by SIPCOT

Land & development
Buildings
Plant & Machinery
Know-how fees
Other assets
Contingencies
Preliminary & Pre.Op.
Expenses
Working Capital Margin

20 MEANS OF FINANCE

Share capital
Internal Generation
Subsidy
Term Loan - SIPCOT
- TIIC
- Others
(Bank)

21 Details of Security

Land & Development
Building
Fixed assets
Contingency

as security
Collateral Sec^y if any:

Corporate guarantee

Name of guarantors:

22. Norms: Advance margin :

Debt Equity Ratio :

23. Rate of Interest on Term Loan :

24. Working capital
Banker:

Limit envisaged:

25. Date of transfer of
file to operations Dept :

one

on 11/9/71

Ch. 10/11/71

SANCTION
NOTE FILE PROFORMA FOR APPROVAL OF DISBURSEMENT OF TERM LOAN

1. POSITION AS ON

- (i) Name of the Company :
- (ii) Amount sanctioned :
- (iii) Date of sanction :
- (iv) Amount already disbursed :
- (v) Date of expiry of refinance validity :

2. Financing plan

	Rs. in lakhs	
	As per sanction	Amount raised from each source (As on
(i) Share Capital		
(ii) Term Loan(s)		
a. SIPCOT		
b. TIIC		
c. Banks		
(iii) State Subsidy		
(iv) Deposits		
(v) Others		
Total		

...2

3. Project cost

As on
(Rs. in lakhs)

Sl. No.	Particulars	Project cost		Eligible assets as per sanction	Eligible Assets created	Eligible assets to be created as per Trust Receipt produced	Total
		As per sanction	As per Actuals				
(i)	Land						
(ii)	Buildings						
(iii)	Plant & Machinery						
a.	Indigenous						
b.	Imported						
c.	Electrical installation						
d.	Transportation & erection						
(iv)	Know-how fees						
(v)	Provision for contingency						
(vi)	Misc. assets						
(vii)	Prel. & pre.op. exp.including interest during construction						
(viii)	Margin money for working capital						
(ix)	Cash on hand/at Bank						
(x)	Others						
	Total						

4. Date of inspection and comments in brief regarding project implementation

5. Insurance

Cover Note/Policy copy recd/

a. Name of the Insurance Company

b. Nature of risk covered

c. Period of insurance



d. Value of risk covered

- i) Building
- ii) Machinery
- iii) Others

Value of risk covered is

e. Whether adequate

- f. ~~Whether~~ *Have* the names of financial institutions *seen* mentioned in the policies?

6. Details of documentary evidence produced for the creation of assets

7. Value of eligible assets created/to be created as per Trust Receipt furnished

8. Term loan eligibility

- i) Term loan eligible based on advance margin of %
- ii) Based on % of equity raised (The promoters are to bring in at least % of their contribution before seeking their disbursement)

Amount eligible lower of i) and ii)

9. LESS: Already disbursed

Rs. (in lakhs)

- a) STPCOT
- b) TIIC/Bank

Total

10. Net amount eligible

11. Debt Equity Ratio position (excluding subsidy)

As per sanction

After present disbursement

12. Remittance of:

- i) Investigation fee
(confirm as per O.O.79/92 dt.9.9.92)
- ii) Up-front fee
(confirm as per Circular No.45/92 dt.11.9.92)

me *21/9/92* *[Signature]*

12 (iii) DETAILS OF OVERDUES AS ON:

A. AREA DEVELOPMENT:

	Nature of dues	Amt. overdue	Remarks	Attestation by HOD
1.	Plot Deposit			
2.	Interest			
3.	Penal interest on land cost			
4.	Maintenance charges			
5.	Water charges			
6.	Rental charges			
7.	Other dues			

B. ACCOUNTS DEPARTMENT:

	Nature of dues	Amt. overdue	Remarks	Attestation by HOD
1.	<u>Term Loan</u>			
	(i) Principal			
	(ii) Interest			
	(iii) Commitment charges			
2.	<u>Soft Loan SIFCOI/ IDBI</u>			
	(i) Service charges			
	(ii) Soft loan instalment			
3.	<u>Incentives</u>			
	(i) Interest on BLG			
	(ii) Penal interest on IFST			
	(iii) IFST instalment			
4.	Other dues			

One
21/9/92

13. Legal Documentation

Conditions to be fulfilled prior to disbursement of project implementation	Whether conditions have been complied with	Attestation by HOD
i) Creation of charge ii) Filing Form No.8 & 13 with Registrar of Companies iii) Personal guarantee/ Corporate guarantee (Name of guarantors with date of execution) iv) Execution of other documents: (Specify name of promoter(s) Directors/share holder(s)) a. Deed of agreement b. Shortfall undertaking c. Undertaking for non-disposal of share d. Undertaking for non-purchase/ Sale agreement e. Any other agreement <i>Q</i> (Pl. state sp) <i>give details</i> v) Details of legal formalities not complied with by the Company (like charge certificate, etc.) vi. Remarks/comments		
14. Details of compliance of conditions (SIPCOT & IDBI) and recommendations	Whether conditions have been complied with	

one *2/992*

15. Amount now proposed for disbursement
(in case of reimbursement to be restricted as per minimum promoters' contribution)
16. Amount yet to be disbursed against the SIFCOT sanction
17. RECOMMENDATIONS:

18. Order of CM :

One Mr. 21/9/92
A. K. S.

O.O. No. 94/92

Dt: 19.11.1992

OFFICE ORDER

Sub: Term Loan- Projects jointly financed
by SIPCOT and other institutions.

A case has come to my notice in which a project had been sanctioned a loan by SIPCOT together with another financial institution, where, subsequently, the other financial institution increased the loan and also increased the promoter's contribution without a joint appraisal along with SIPCOT and, instead, merely imposed a condition at the time of sanction of the additional loan that the promoter should obtain a No Objection Certificate from SIPCOT to the additional loan given by that institution. This procedure is not in order.

When there is any increase in the project cost and/or a change in the means of finance of the project involving an increase in the promoter's contribution and/or loan from any institution, the project has to be re-appraised with reference to (i) its continued viability (ii) the promoters' capacity to bring in the additional capital where such additional capital is envisaged and (iii) the project's capability of generating enough cash surplus to discharge the enhanced loan commitment, if an enhanced loan is envisaged. At the time of re-appraisal it has to be ensured in particular that the project continues to satisfy the norms governing the debt equity ratio, promoter's contribution, advance margin and debt service coverage ratio. After reappraisal, the case should be got specifically approved by the original sanctioning authority viz. the Board or the Managing Director as the case may be.

2. The above procedure should invariably be followed in SIPCOT in all future cases where the revision is undertaken by SIPCOT. Where the project is jointly financed by any other institution, reappraisal should be done jointly with that institution. Similarly, where such revision is undertaken by any other institution of a project jointly financed by SIPCOT, SIPCOT should insist on a similar joint appraisal by that institution.



CHAIRMAN & MANAGING DIRECTOR.

To

All GMs.

All HODs

All the Officers

Loan Sanction Department

Loan Disbursement Dept.

The CMD's table

P.S. to CMD

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LIMITED
19-A, RUKMANI LAKSHMIPATHY ROAD, EGMORE, MADRAS-8

OFFICE ORDER

O.O.No. 98/92

Dated 29.11.1992

BIFR - Rehabilitation Packages
Sub: *give* Delegation of powers to the Managing Director
to *approve* the ~~draft BIFR~~ rehabilitation
~~package.~~

...

The Board at its Meeting held on 19.11.92 has delegated
to the Managing Director, powers to approve the ~~draft~~ rehabilitation
package ⁱⁿ ~~for~~ all BIFR cases in future.

B. VIJAYARAGHAVAN
2/2 CHAIRMAN AND MANAGING DIRECTOR.

Q.M.
27/11
DGM (SVR)

Q.M.
27/11
GM (P.A.)

To

All GMS/DGMS/AGMS

All Officers in ^{SVR} ~~concerned~~ Department

c.c.to

CMD's Table

PS to CMD

ASM(1A)

Q.M./A
GM/P

m
30/11

Copy sent
20/11/92

Draft for approval:

O.O. No. 17/93

Dated: 8.4.93

OFFICE ORDER

Sub: Lending Norms & Procedures - Standard
Terms & Conditions - ~~Modifications.~~
Revised.

.....

The terms & conditions governing ~~the~~ sanction
(including disbursement) of term loan ^{as modified and} approved by the
Board at its Meeting ^{held} on 29.3.93 ~~(annexed) should be~~ ^{shall be in force}
~~adopted with immediate effect.~~

are annexed.

[Signature] 8/4/93
CHAIRMAN AND MANAGING DIRECTOR

[Signature] 8/4/93
DGM (LSD)

[Signature] 8/4/93
GM (PF&D)

To

All General Managers

All Heads of Departments

Copy to:

Accounts Dept.
CMD's Table
PS To CMD
AGM (IA)

Sir,

Annexure (Final Terms & Conditions)
has submitted for perusal to
before issue

[Signature] 9/4/93 *[Signature]* 9/4/93
CMD (PF&D) CMD

[Handwritten note in a box:]
Annexure not appended
See orders
on ref.
[Signature] 8/4

State Industries Promotion Corporation of Tamilnadu Ltd.,
A GOVERNMENT OF TAMILNADU UNDERTAKING)

19-A, RUKMANI LAKSHMIPATHY ROAD,
Post Box No.4512, EGMORE,
MADRAS - 600 008.

Grams : SIPCOT
Telex : 7736
Phone : 478261

TERMS AND CONDITIONS OF SANCTION OF TERM LOAN

1. Name and Address of assisted unit :

a. Name of the Unit

b. Address

i) Registered Office

ii) Administrative Office

iii) Factory

c. Product

2. Facility, amount granted and norms of disbursements :

a. Nature of facility

b. Date of sanction

c. Amount sanctioned Rs.

d. Project cost Rs.

e. Financing plan :)

f. Security :) Vide Annex-A.

g. Norms of disbursements :

i) Advance Margin : The loan will be disbursed in accordance with the advance margin of _____% for the proposal

ii) Debt Equity Ratio for the proposal :

• Including Subsidy :

Excluding Subsidy :

For disbursement of Term Loan DER
excluding subsidy shall be adopted.

iii) Disbursement will commence only after the promoters raise the entire Share Capital/Internal generation/Interest free unsecured Loan and utilise the same in the creation of fixed assets.

h. The sanction is subject to availability of refinance from IDBI/SIDBI. Disbursement will commence only on receipt of refinance sanction. Any condition stipulated by IDBI/SIDBI for grant of refinance will also be applicable to the present sanction.

3. Purpose of the Loan :

The loan will be disbursed for creation of fixed assets as per the details in Annexure-'A'.

4. Nature of Charge :

a) The borrower shall create exclusive first charge on fixed assets in favour of SIPCOT by way of equitable mortgage for the full amount of the loan sanctioned.

b) The borrower shall create first charge by way of joint equitable mortgage in favour of SIPCOT for the full amount of the loan sanctioned. The charges thus created shall rank pari passu with the charges created or to be created in favour of TIIC/Bank/Institution () for the term loan sanctioned by them.

c) Tvl.
shall guarantee for prompt repayment of the principal instalments interest and/or other charges to SIPCOT on the due dates. No commission shall be payable to the guarantors for the same.

d) The title to the property shall be clear. All documents and title deeds furnished to SIPCOT will be retained by SIPCOT till the loan is completely discharged. In the case of joint financing, title deeds can be deposited with any one of the participating institutions by mutual agreement.

e) All additional building and machinery constructed and purchased over and above the building and machinery existing at the date of disbursement of the loan will also become part of the security for the entire loan.

f) Wealth tax and Income tax returns of the promoter/guarantors, for the last three years for which assessment has been completed should be produced before the drawal of the loan.

g) The loan shall also be secured by way of floating charge on current assets including book debts subject to the first charge in favour of Bank for working capital.

5. Repayment Schedule :

The loan amount shall be repaid in quarterly instalments after an initial moratorium of years/months from the date of first drawal of the loan, as given below :

6. Rate of Interest :

a. The rate will be % per annum. In case of default of any instalment, a penal interest of 5% over and above the normal rate will be levied on the defaulted amount(s) for the defaulted period(s).

b. The interest calculated upto the last day of the quarter will be payable by the borrower on or before the last day of each quarter. When such interest stands unpaid on due date, the same will be added to the outstanding of the previous quarter on which amount also further interest will be charged.

c. No credit in interest will be allowed for the amount of principal or interest paid earlier except in those cases where the loan has been fully repaid or the full payment of instalment of principal or interest is made more than 30 days before the due date.

d. SIPCOT reserves the right to alter/revise/change the rate of interest (including penal interest) from time to time retrospectively/prospectively which will be binding on the borrower.

e. An Upfront fee of 1% on the entire loan amount will be collected before the loan agreement is signed.

7.a) In respect of term loan including Equipment Refinance Scheme (ERS) if the sanction order and the terms and conditions thereof are not accepted by the borrower within 30 days from the date of sanction order, the sanction will automatically lapse.

b) In respect of term loan other than ERS, if the documents are not executed and the loan agreement not signed within five months from the date of sanction order, the sanction will automatically lapse.

c) In respect of term loan other than ERS, if atleast 10% of the sanctioned amount is not drawn within six months from the date of sanction order, the sanction will automatically lapse.

d) In the case of term loan other than ERS, if, subject to (c) above, the entire loan sanctioned is not availed of within 23 months from the date of sanction order, the undrawn portion will automatically lapse.

e) In the case of ERS, if both documentation and drawal of entire loan is not completed within five months from the date of sanction order, the sanction will automatically lapse.

8. The Borrower shall before documentation obtain necessary sanctions from TIIC/Bank/Institution for the balance term loan in the means of finance.

9. In case of any short-fall in the subsidy contemplated the same shall be brought in by the promoters as interest free funds/additional equity from their own sources. Promoters shall give an undertaking to this effect at the time of executing the documents for term loan.

10. The appointment/re-appointment of Managing Director(s) and/or Director(s) as also their remuneration and other terms of appointment shall be subject to the prior approval of SIPCOT. This condition however will not be applicable to institutional nominees.

11. Any sale proceeds of sold/replaced machinery including vehicle shall be paid to SIPCOT. If there are other participating institutions/Banks the sale proceeds shall be paid in accordance with the pari passu charges created.

12. (a) The Borrower shall keep the building and plant & machinery in good condition.

12. (b) The borrower shall insure for the full value of the mortgaged properties or any addition thereto or such of them as may be required by SIPCOT against loss or damage by fire, riot (riot and strike) civil commotion and other risks. Disbursement will be made only on receipt of insurance policy. The borrower shall insure for the full value of the existing buildings and machinery and, as and when further additions are made, the borrower shall insure for the full value of such addition. The interest of SIPCOT as mortgage should be incorporated in all the policies in the form prescribed by SIPCOT. The borrower must punctually pay premium on the policies as and when they become due and shall deposit the insurance policies or copies thereof, with SIPCOT.

13. In the event of failure to keep the insurance in force SIPCOT may itself do so and the expenditure so incurred shall be recovered from the borrower.

14. The borrower should obtain the prior consent of SIPCOT before investing in shares/debentures or advancing to other concerns loans for a period of three months and beyond. Investment in Central Government and State Government securities and other Bonds and debentures which carry the guarantee of the Government will be exempted from the operation of this clause

15. a) The promoters/directors including the Managing Director of the borrower company should undertake to bring in interest free funds as unsecured loans/deposits to meet any shortfall that may arise in financing the project/working capital requirements. These loans/deposits will not be withdrawn without the prior approval of SIPCOT.

15. b) The borrower and the promoter Directors viz.,..... shall give an undertaking that the shares which have been held by the promoter directors will not be transferred to any one else without the prior written permission of SIPCOT. The said promoter directors shall also furnish a non-disposal undertaking of their shares during the pendency of SIPCOT's loan to the borrower company.

15. c) The borrower shall not without prior approval of SIPCOT enter into any agreement or arrangement in regard to purchases or sales or any other matter with any concern in which any of the promoters or directors has any interest.

15. (d) During the currency of the loan, the borrower -

i) should not undertake any scheme of expansion or change of location of the project without prior approval of SIPCOT

ii) Should obtain prior permission from SIPCOT to acquire any additional assets not envisaged in the scheme.

16. During the currency of the loan, the borrower shall --

(a) keep SIPCOT informed of the implementation of the project every month.

(b) furnish to SIPCOT the progress report and other statements of production, sales and stocks (quantity and value) after it commences commercial production, either monthly/quarterly/half-yearly as required by SIPCOT from time to time.

(c) Get its annual accounts audited by a Chartered Accountant and furnish SIPCOT with copies of certified accounts.

17. (a) The borrower from the date of issue of the sanction order should recruit its employees for all cadres through Employment Exchange or after obtaining no objection certificate from the Employment Exchange for direct recruitment.

17. (b) The borrower should employ adequate number of physically handicapped persons in consultation with the Director of Social Welfare.

18. SIPCOT shall have the right to nominate one of its representatives as a Director on the Board of the borrowing Company. Where the Articles of Association of the borrowing company do not provide for nomination of a Director by a Financial Institution, the Company shall within six months

from the date of sanction of the loan take necessary steps to amend the Articles of Association towards this in the manner approved by SIPCOT. In the meanwhile, SIPCOT's nominee shall be co-opted/invited to participate in the Board meeting of the borrowing Company.

19. During the currency of the loan, the borrower shall be bound :

a) to allow SIPCOT's employees and agents either along or with other workmen and others at all reasonable times to enter into the mortgaged premises and to inspect the same including the engines, machinery whether fixed or movable the cost of such inspection being borne by the borrower.

b) to permit the inspection of all accounts relating to the business wherever such accounts are kept.

c) to maintain such special accounts or furnish such statements as SIPCOT may prescribe from time to time.

d) to furnish the accounts of the business to such audit as SIPCOT may prescribe ; and

e) to furnish to SIPCOT such information and such documents as may be called for from time to time within the period prescribed by SIPCOT.

20. During the currency of the loan, the borrowing company shall not without the previous consent of SIPCOT.

a. declare any dividend in respect of the accounting year in which it fails to meet its obligations to pay interest and or instalment(s) falling due for payment to SIPCOT.

b. declare dividend at more than 15% / issue of bonus shares irrespective of whether or not it has met its obligations to SIPCOT in the payment of interest and/or instalment(s)

In cases coming under this clause (b) above, SIPCOT may permit declaration of dividend in excess of 15% provided the borrower remits the difference between 15% and the proposed rate in one lump sum to SIPCOT which will be adjusted towards the last instalment of principal outstanding apart from payment of overdues if any.

21. a) Any clause in the Managing Director's employment agreement which provides for compensation to the Managing Director in the event of loss of office shall remain in-operative during the pendency of the loan granted by SIPCOT.

b) Any clause in the Managing Director's employment agreement by which the Managing Director is entitled to any remuneration other than fixed monthly remuneration shall be inoperative during the pendency of the loan granted by SIPCOT.

c) Notwithstanding anything contained in the Managing Director's agreement with the borrower company, the Managing Director shall not utilise or keep in his personal custody any of the funds of the borrower company.

22. In case any of the other institutions providing financial assistance to the borrower imposes any condition on the borrower, SIPCOT will be at liberty to apply the same in respect of SIPCOT loan also.

23. The assets to be mortgaged to SIPCOT should be identified with name plates affixed thereon.

24. Before drawal of last 25% of the loan amount, the borrower shall :

- i) satisfy SIPCOT on the availability of power.
- ii) satisfy SIPCOT on sanction of working capital.
- iii) Produce the charge certificate from the Registrar of Companies.

25. (a) The constitution of the Board of Directors of the borrowed company as already approved by SIPCOT should not be changed without the prior approval of SIPCOT.

(b) The Memorandum and Articles of Association of the borrower-company shall not be amended without prior permission of SIPCOT.

26. The borrower shall have no objection to SIPCOT furnishing to IDBI/SIDBI all such information as IDBI/SIDBI may require from time to time in connection with obtaining of refinance and also inspection of the units by IDBI/SIDBI during the currency of refinance.

27. The industrial unit should obtain the prior approval of SIPCOT before raising any term loan, secured or otherwise, from any other institution/Banks.

28. SIPCOT reserves the right to demand prepayment of one or more instalments of principal in the existing schedule of repayment based on the financial position and working results of the borrower and within such time as may be prescribed. The opinion of SIPCOT in such cases will be final.

29. The borrower shall have the option to pay any or all the instalments ahead of the due dates.

30. The borrower shall obtain prior approval of SIPCOT before incurring any over-run in the project cost.

31. The borrower shall obtain the prior approval of SIPCOT for any change of machinery supplier or machines.

32. In case it is an Export oriented unit and/or Unit located in MEPZ, the the borrower shall submit regularly to SIPCOT a copy of the prescribed quarterly progress report submitted to the Office of the Development Commissioner/Government of India. If and when any Notice is received or any action taken for violation of any of the terms of the export obligation then the borrower should immediately intimate the same to SIPCOT.

33. Promoters/Promoter directors shall make good any shortfall in the projected fund flow required for repayment of term loan/interest/other charges to SIPCOT by securing interest free funds/additional equity from their own sources.

34. SIPCOT reserves the right to foreclose and recall the loan if it is seen that the sanction has been obtained on the basis of false or misleading information furnished or facts suppressed by the applicant.

35. SIPCOT reserves the right to foreclose and recall the loan for violation of any of the terms and conditions stipulated in this sanction order.

NAME OF THE UNIT :

ANNEXURE - A.

To be attached to the terms and conditions of sanction dated
in respect of M/s. _____

(Rs. in Lakhs)

I. PROJECT COST :

- (1) Land including land development :
- (2) Buildings :
- (3) Plant and Machinery including
electrical equipment and installation :
- (4) Other assets :
- (5) Know-how/Engineering fee
- (6) Contingencies :
- (7) Preliminary and Pre-Operative Expenses :
- (8) Margin Money for Working Capital

Total

II. MEANS OF FINANCE :

(a) Equity :

(i) Share Capital :

(1) Internal generation

(ii) Seed Capital

(iii) Subsidy

(v) Others

Total

(b) Debt :

Term Loans :

(1)

(2)

(3)

(4)

Total

III. 'SECURITY :

Existing (as per the Audited Balance Sheet)	Proposed (as per the Present Project)	Total
---	--	-------

i) Land

ii) Buildings

iii) Plant and Machinery
including equipments
and electrical
installations.

iv) Others

v) Contingency

Total

IV. DETAILS OF ASSETS ELEGIBLE FOR DISBURSEMENTS :

(a) Land, including land development
(extent of the land, value,
including registration charge,
cost of development etc.,
to be specified).

(b) Building (type of construction,
area, rate, etc., to be furnished)

(c) Plant and Machinery
(individual items of machinery
with the suppliers name ; cost
including excise duty ; sales tax
or other applicable tax, transport
charges, insurance, and erection
to be specified in detail).

V. IMPLEMENTATION SCHEDULE :

Draft for approval:

Draft III (37)
item N. 29

OFFICE ORDER
CIRCULAR

O.O No. 18/93
Circular No.

Dated: 08.04.93

Sub: Term Loan Disbursement - Lending Norms and
adoption - Reg.

~~To ensure quality lending,~~ The norms in respect
of term loan cases ^{as at present} ~~hitherto being adopted~~ are as given under:


- | | | |
|--|---|-------|
| 1. Debt Equity Ratio | Normal | 2:1 |
| | Non Priority | 1.5:1 |
| | (Hotel, Textile,
Hospital,
Solvent extraction
unit etc.,) | |
| 2. Minimum prescribed
promoters' contribution | Normal | 30% |
| | Exceptions
Special Cases | 25% |
| 3. Security Margin | Normally | 25% |
| 4. Quantum of promoters'
contribution/equity
before release of term
loan | Disbursement commences after
the promoters bring in 100%
of the equity and also interest
free unsecured loan if any.
In exceptional cases, this is
relaxed. | |
| | Can be | |
| 5. The extent of unsecured
loan permitted in the
project and the stage
at which it is to be
brought in | Normally unsecured loan is not
permitted. Exceptions can be
made in special cases. | |
| 6. Insistence of collateral
security | Collateral Security/Corporate
Guarantee is insisted in case
of low security margin in
addition to personal guarantee
of the promoters. | |

The Board at its Meeting on 29.3.93 decided that
be the same norms/continued, and in exceptional cases ^{if} ~~it is~~
~~found that promoters find difficulty to mobilise entire~~
~~contribution, such case may be put up to CMD for decision.~~



CHAIRMAN AND MANAGING DIRECTOR.


DGM (LSD)


GM (PF&D)

To

All GMS

All HODs

copy to:

PS to CMD

CMD's Table

AGM (IA)

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LTD.
MADRAS

O.O.No. 22/93



Dt. 19.4.1993

OFFICE ORDER

Sub: Sick Units Rehabilitation - Cases falling or likely to fall within the purview of BIFR - No rehabilitation package to be prepared outside BIFR.

In a particular case of a sick unit, SIPCOT and other Financial Institutions prepared a rehabilitation package on their own after mutual consultations which was approved by BIFR under Section 17 (2) of the Sick Industrial Companies (Special Provisions) Act, 1985. After a long number of years it was established that the scheme had failed. At that stage, the BIFR has appointed an Operating Agency for preparing a scheme for rehabilitation in terms of Section ¹⁷~~18~~ (3) of the above Act. This procedure ~~protracts~~ ^{protracts} recovery proceedings unduly and seriously jeopardises the interests of the Financial Institutions. If the Institutions had not, in the first instance, suo moto formulated a rehabilitation package, ~~the~~ BIFR would at that stage itself have initiated action under 17(3) and ~~some~~ finality would have been reached by now. It will therefore be in the interests of the Financial Institutions that in respect of units which are coming or are likely to come under the purview of

BIFR, the Institutions do not suo moto draw up a rehabilitation package. They should, instead, leave it to BIFR to have the package prepared through its Operating Agency under Section 17 (3) of the Act. This should be noted for guidance in all such cases in future.



18.4.83

CHAIRMAN & MANAGING DIRECTOR

To:

All Officers in PF and FR Depts.

Copy to: CMD's Table

P.S. to CMD

AGM (IA)

Completed
S. S. Sanyal
19/4/83

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LIMITED
19A, Rukmani Lakshmipathy Road, Egmore, Chennai-600 008.

O.O.No.24/93

Issued date:29.04.1993

Re-issued

Date: 11.02.2021

OFFICE ORDER

Sub: Joint Sector Projects – Prior approval of disinvestment
of shares – For ^{Exemption} certain of undertaking – Reg.

Whenever Joint Sector Projects (of TIDCO, ELCOT, TALCO etc.,) are considered for financial assistance, it has been our practice to insist on the private promoter directors alone to furnish an undertaking that the shares which have been held by them will not be transferred to any one else without the prior approval of SIPCOT.

This is not enough. Whenever a Joint Sector Project is considered for term loan sanction, a condition should be stipulated to obtain an undertaking from the joint Sector Promoter viz. TIDCO, ELCOT or TALCO, as the case may be that the shares held by them in the joint sector Companies will not be transferred to anyone else without the prior written permission of SIPCOT. The undertaking will have to be given by the corporation concerned in its corporate capacity as distinct from the ^{Personal} ~~personal~~ undertaking given by the ^{private sector promoter} ~~prescribed format~~.

(This Office Order is re-issued).

Sd/-

CHAIRMAN AND MANAGING DIRECTOR

To

All General Managers(A&CF)
All Heads of Departments

Copy to:

Accounts Department
AGM(IA), CMD's Table, PS to CMD

//Forwarded By Order//

MANAGING DIRECTOR

13/22

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED
19-A, Rukmani Lakshmipathy Road, Egmore, Madras-8.

O.O.No. 27/93

Dated: 5. '93

OFFICE ORDER

Sub : Sub-delegation of powers
to G.M.(FU & R)

- - -

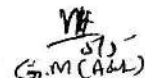
In exercise of powers vested with him, the
CMD delegates the following powers to GM(FU & R):

"To allow the incurring of expenditure
towards telephone ^{calls made by} ~~charges~~ by the officials
under his control, in connection with
taking ~~over~~ ^{in managerial and other} possession of industrial units"
~~in outstations~~




CHAIRMAN AND MANAGING DIRECTOR

To
The G.M.(FU & R)


G.M.(FU & R)

Copy to :
The Accounts Dept.
AGM(IA)
P.S. to CMD
CMD's table.


9/7/93

Completed
D. Saram
6.5.93

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED.

19-A, Rukmani Lakshmi pathy Road, Egmore, Madras-8.

O.O.No. 34/93



Dt. 29.06.1993

OFFICE ORDER

Sub: Delegation of Powers regarding
Term Loan Disbursement.

- - - - -

In supersession of all the orders earlier issued in this regard the following delegation of powers are ordered in respect of Term/ loan disbursement.

No deviation from prescribed procedure or relaxations shall be ordered without the prior approval of M.D.

<u>Sl.No.</u>	<u>Nature of Powers</u>	<u>M.D</u>	<u>G.M (P.F&D)</u>
1.	Normal validity period of term loan sanction of 12 (twelve) months in all restricted initially upto 6 (six) months. To extend validity of sanction of term loan for further period of 6 (six) months.	Full Powers	Full Powers - provided the Company remits 1% upfront fee.
2.	To approve changes/modifications proposed by the assisted units in the list of machinery and also the source of supply indicated in the Appraisal Report to the Board at the time of sanction of the loan, such approval should be granted only where the proposed changes do not result in increase in the overall project cost as per the Appraisal Report.	Full powers	Full Powers
3.	Disbursement of Term Loan upto Rs.15 (fifteen) lakhs without any variation in norms/conditions of sanction.	Full Powers	Full Powers
4.	Disbursement of Soft Loan upto Rs.10 (Ten) Lakhs without any variation in norms/conditions of sanction.	Full Powers	Full powers

<u>Sl.No.</u>	<u>Nature of Powers</u>	<u>M.D</u>	<u>G.M (P.F.D)</u>
5.	Disbursement of Soft Loan above Rs.10 (Ten) Lakhs.	Full Powers	Full powers
6.	Apportioning contingency allocation for the variation in the cost of fixed assets.	Full Powers	Full Powers
7.	Approval for change of machineries (Model & capacity and/or machinery suppliers within the approved value of plant and machinery incorporated in the sanction without affecting technical feasibility/viability as originally envisaged.	Full Powers	Full powers
8.	Approval for deletion of machineries, machinery suppliers without affecting the technical feasibility/viability as originally envisaged.	Full powers	Full powers
9.	Approval for addition of machineries and machinery suppliers within the approved cost of plant & machinery without affecting technical feasibility/viability as originally envisaged	Full powers	
10.	Request for extension of refinance validity from IDBI for a period of 6(six) months over and above 24(twenty four) months of refinance validity.	Full Powers	Full powers for a period upto three months.
11.	Approval for appointment of additional directors for assisted units	Full powers	Full powers
12.	Approval for lapsing of undrawn loan amount on completion of projects and/or upon request of the companies	Full powers	Full powers

<u>Sl.No.</u>	<u>Nature of powers</u>	<u>M.D</u>	<u>G.M (P.F&D)</u>
13.	Approval for issue of commitment letter to Banks for opening Letter or credit within the original approval	Full powers	Full powers

This order takes effect from 10.6.1993.

7/3 *1/2*
CHAIRMAN & MANAGING DIRECTOR.

To *16/19*

The G.M (PF&D)

Copy to

All GMs'

All HODs'

Accounts

P.^d to C.MD

PC
Consent
29/6/93

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED

19-A, Rukmani Lakshmipathy Road, Egmore, Madras - 8.

O.ONo. 44/93

Dated : .9.1993

OFFICE ORDER

Sub : Maintenance of Data Sheet for
Units assisted with Term Loan.

With a view to know the status of ~~the~~ unit at
a glance, a ^{Fact} ~~Data~~ Sheet ^(~~At a Glance~~) containing the important particulars
of ~~the~~ unit has been designed. ^(enclosed) and ~~enclosed~~ herewith.

The Term Loan Disbursement Department and the
Follow-up & Recovery Department will prepare ^{Fact} ~~Data~~ Sheet
for each unit and file it in the concerned file. The
^{Fact} ~~data~~ sheet should be updated once in a month.

✓ CHAIRMAN & MANAGING DIRECTOR.

Encl : Form

To

All General Managers.
All HODs.

Copy to :

PS to CMD
CMD's Table.



FACTSHEET — "AT A GLANCE"
~~DATA SHEET~~

File No.

1. Name of the Unit :
2. Location: Registered Office :

Factory :

				As on _____	
3. Details of assistance sanctioned	Date of sanction	Amount sancd	Amount disbrd	Over dues	O/s
				pr. Int	pr. In

4. If jointly financed, the details of assistance sanctioned :

5. Reschedulement given :

6. Brief History
 Events to be given date wise :

7. Show-cause notice :

8. Fore-closure order :

9. Court Cases :

10. Present Position :

1/11/69

1/11/69
 G.M. (P.R.)

2/11/69
 C.P.D. 1/11/69

Draft for approval:

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LIMITED
19-A, RUKMANI LAKSHMIPATHY ROAD, EGMORE, MADRAS-600 008.

O.O. No. : 5/94

Dated : 10-2-94

OFFICE ORDER

Board at its Meeting held on 27.1.1994, while reviewing lending policy decided to amend the following norms in regard to quantum of assistance to partnership firm, type of industries to be considered for financial assistance and enhancement of limit of term loan sanction under ERS as given under:

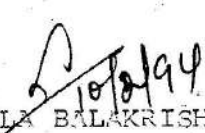
<u>Existing Norms</u>	<u>Norms as amended</u>
i) In respect of partnership firm the maximum loan of Rs.45.00 lakhs is considered where as TIIC extends upto Rs.60.00 lakhs. Many partnership firms have approached us to avail loans exceeding Rs.45.00 lakhs from SIPCOT.	To permit financial assistance to partnership firms enhancing the present ceiling of Rs.45.00 lakhs to Rs.90.00 lakhs with collateral security of not less than 50% of the term loan.
ii) As per our Board policy, we have been maintaining two lists: 1. Negative list and 2. Selective list, for considering financial assistance to various sectors. Many prospective entrepreneurs desire to avail loan for setting up mini steel plants HDPE oven sacks ^{Sacks} etc., and their proposals are not being encouraged at present.	To remove all the restrictions and partial ban and to encourage industries based on merit and subject to the proposal satisfying usual norms

iii. Under Equipment Refinance Scheme (ERS) under the delegated powers of MD, term loan is considered upto Rs.100.00 lakhs. Quite a few well run units prefer to avail loan exceeding Rs.100.00 lakhs also. At present, there is no provision for this.

To enhance the powers delegated to Managing Director from Rs.100.00 lakhs to Rs.150.00 lakhs for loan sanctioned under ERS.

This will be followed with effect from
1.2.1994.

To
All GMS
All HODS


SHEELA BALAKRISHNAN
Managing Director.


DGM (LSD)


GM (PF&D)

C. C. to:

Accounts Dept.
CMD's Table
PS TO CMD
AGM (IA)

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LIMITED
19-A, Rukmani Lakshmiopathy Road, Egmore, Madras-8.

O.O. No. 10/94


Dated 15.3.1994

OFFICE ORDER

Sub: Project Appraisal - Additional Investigation
Fees in respect of public issue cases : ~~same~~

- - - -

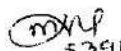
^{Project appraisal} While taking ^{only} policy decision In respect of appraising projects involving with public issue through SEBI/OTCEI, ^{the} Board at its Meeting held on 24.2.1994 decided that a Service Charge of 0.25% on the project cost should be levied apart from normal investigation fee ^{on} for term loan in respect of projects appraised by SIPCOT. This will be followed with effect from 24.2.1994.

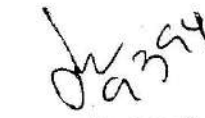

MANAGING DIRECTOR.

To

ALL GMs

All HODs


DGM (LSD)


GM (PF&D)

Copy to: Accounts Dept.

CMD's Table

PS to MD

AGM (IA)

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED
19-A, RUKMANI LAKSHMIPATHY ROAD, EGMORE, MADRAS - 600 008.

P.O. No. 29/94

Dated 18.7.1994

OFFICE ORDER

Sub: Term Loan Assistance - New Steel Ingots and
Re-rolling Units - Reg.

In the recent past, financial assistance was extended to some of new and existing steel ingot plants and re-rolling plants which are under different stages of implementation. The Board at its Meeting held on 25.5.1994 had taken a decision to defer sanction to units manufacturing steel ingots, steel re-rolling mills etc., as these type of units were dependent on the tariff subsidy all along for their viability. Hence, such projects need not be financed by SIPCOT in future.

Sd./-

SHEELA BALAKRISHNAN
Managing Director.


GENERAL MANAGER.

To

All General Managers
All HODs
All Officers in the
Project Department

Copy to:

IDs Table

ES to MD

DRAFT

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED

19-A, Rukmani Lakshmipathy Road, Egmore, Madras-8.

O.O.No. 38/94

Dated: 4.10.94

OFFICE ORDER

Sub: Industries - Declaration of
Peraiyur Taluk in Madurai Dist.
as industrially most backward
taluk - Govt. orders - reg.

In G.O.Ms.No. 225 Inds.(MIG.II) Dept.
dt.31.8.94, Govt. have directed that the newly formed
Peraiyur Taluk in Madurai Dist. be declared as
industrially Most Backward Taluk and the same be
included in the list of Most Backward Taluks for the
purpose of availing various concessions sanctioned
from time to time for Major, Medium and Small Scale
Industries. This order shall come into effect from
25.9.93 i.e. the date of formation of the Taluk.

To
All HODs
Copy to:
All GMs
P.S. to MD.

(S.B.)
MD.
2/3
4/10/94

AM 4/10/94

Smt
4/10/94
AGM(ID)

4/10/94
GM(PF&D)

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED,
19-A, RUKMANI LAKSHMIPATHY ROAD, EGMORE, MADRAS-8.

OFFICE ORDER

O.O.No. 40/94

Dated 18.10.1994.

Sub: Project appraisal - Enhancement of
Investigation fee.

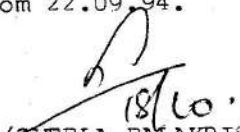
- - -


As per the existing policy, an investigation fee of 0.25% of the Term loan applied for is being levied with a minimum of Rs.5,000/- and a maximum of Rs.35,000/- for Term Loan sanction upto Rs.150.00 lakhs.

Since the limit of sanction of term loan has been enhanced from Rs.150.00 lakhs to Rs.300.00 lakhs, ~~depending on the category,~~ there is a need to ^{levy enhanced} ~~revise the~~ investigation fee. Therefore Accordingly our Board at its meeting held on 22.9.94 has decided that for the term loan requirements exceeding Rs.150.00 lakhs and upto Rs.300.00 lakhs, an investigation fee at the rate of 0.25% of the term loan applied for, be charged subject to a ceiling of Rs.70,000/- and for the

²
~~In respect of~~ Term Loan requirements upto Rs.150.00 lakhs, existing policy of charging investigation fee at the rate of 0.25% subject to a minimum of Rs.5,000/- and a maximum of Rs.35,000/- be continued.

This will be followed with effect from 22.09.94.


(STEELA BALAKRISHNAN)
MANAGING DIRECTOR.


GM (LSD)


GM (LSD).

To
All GMS
All HODs
Copy to:
MD's table
PS to MD.
Manager (IA)

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED
19-A, Rukmani Lakshmiopathy Road, Egmore, Madras - 8.

C.C.No.19/95

Dt.7.7.1995

OFFICE ORDER *

Sub: Bifurcation of Loan Sanction Department.

- - - - -

Considering the work load, the Loan Sanction Department is bifurcated into two separate Departments viz., Loan Sanction Department I and Loan Sanction Department II.

The Loan Sanction Department I will be headed by Thiru T.Meenakshisundaram, Deputy General Manager and the Loan Sanction Department II by Thiru R.Rajamanickam, Deputy General Manager.

The Sick Unit and Rehabilitation Department will continue to be under the control of Thiru R.Rajamanickam, Deputy General Manager besides Loan Sanction Department II. In respect of Loan Sanction Department II he will report to Chief General Manager and in respect of Sick Unit and Rehabilitation Department he will continue to report to General Manager(Follow-up & Legal).

Orders regarding distribution of work among these two Departments and posting of staff will issue separately.

SHEELA BALAKRISHNAN
MANAGING DIRECTOR

To

Thiru, T. Meenakshisundaram, D.G.M

Thiru R. Rajamanickam, D.G.M

Copy to:

CGM
GMS
All HODs
All RMs/POs
P.S to M.D

/ FORWARDED BY ORDER /

ds./.


MANAGER (PERSONNEL)

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED

19-A, Rukmani Lalshmiipathy Road, Emore, Madras - 8.

O.O.No. 21/95

Dt. 7.7.1995

OFFICE ORDER *

Sub: Allocation of Officers and Staff to
Loan Sanction Departments.

Ref: C.O.No. 19/95 dt. 7.7.1995

- - - - -

Consequent on the bifurcation of Loan Sanction Department into two Departments viz., Loan Sanction Department I and Loan Sanction Department II, the allocation of Officers and Staff to these two departments shall be as follows:-

LOAN SANCTION DEPARTMENT I

HOD: Thiru T.Meenakshisundaram, D.G.M

Officers: Thiru V.R.Nagarajan, D.M
Thiru Reginald Ebenezer, D.M
Thiru K.Gunalan, A.M
Thiru A.R.Chandramohan, A.M

Staff: Tmt. S.Jayanthi, A.O
Thiru T.Pitchaisrinivasan, Asst/S.T
Selvi. R.Chitra, Asst/S.T

LOAN SANCTION DEPARTMENT II

HOD: Thiru R.Rajamanickam, DGM

Officers: Thiru C.E.Mohan, Manager
Tmt. H.Prabhavathy, A.M

Staff: Thiru N.S.Sankar, Asst/S.T
Tmt. A.Rajalakshmi, Asst/S.T

SHEELA BALAKRISHNAN
MANAGING DIRECTOR

To
All concerned

Copy to:

CGM
GMs
All HODs
All RMs/POs
Accounts Department
P.S to M.D

/ FORWARDED BY ORDER /


MANAGER (PERSONNEL)

ds/.

O.O.No. 37 /95 X

Dt. 2 -11-95

Sub: Extension of validity period of term loan sanctions - powers delegated to Managing Director by the Board - Communicated.

filed Ref: O.O.No.34/93 dt.29-6-93.

the Normal validity period of term loan sanctioned for the industrial projects is 6 months from the date of sanction. As per the Office Order cited above, the Managing Director is delegated with powers to extend the validity of term loan sanctions for a further period of 6 months.

The Board at its meeting held on 24th February 1995 resolved to delegate the powers to the Managing Director to extend the validity period of term loan sanctioned for the projects beyond ~~the period of~~ 12 months on merits of each case and ^{also} within the IDBI refinance validity period *i.e. two years.*

[Signature]
2/11
MANAGING DIRECTOR.

[Signature]
D.M.

[Signature]
DGM(LDD)

[Signature]
C.G.M.

To
DGM(LSD-I) & (LSD-II)
DGM(LDD)

Copy to:
C.G.M.
GM(F&L)
AGM(A & CS)
AGM(IA)
P.S. TO M.D.
I.A. DEPT.

O.O No. 15/56

Dated: 23.7.1996

OFFICE ORDER

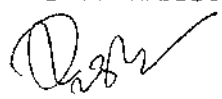
Sub: PROJECT APPRAISAL - SITE INSPECTION.

Before any project is taken up for detailed investigation/detailed appraisal for Term Loan sanction, it is necessary that the dealing officers must carryout site inspection to ensure location of such projects, physical progress made and the seriousness of the promoters towards project implementation are verified.

While carrying out site inspection, the officers concerned must bear in mind the suitability of the project site with reference to the skilled man power, raw material availability, water potential, power feasibility, pollution angle, market, transportation and identification of collateral properties to be offered if any. The assistance of the project officers may also be detailed for such work and a report be insisted, when the dealing officer is not in a position to be spared owing to the nature of work.

This procedure would obviously give an inference under real situation on the need for financial assistance. Without site inspection report, no proposal will be entertained for Term Loan sanction.

This order would come into immediate effect.



QUZDSIA GANDHI
MANAGING DIRECTOR.

To

CGM
All GMS
All HODs

Copy to

M.D's Table
P.S to M.D
CMD's Table
P.S to Chairman
Internal Audit

 23/7/96
DGM (LSD-I)


CGM

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED
19-A, Rukmani Lakshmi pathy Road, Egmore, Chennai-600 008.

O.C.No. 13/97

Dated : 30.4.1997

OFFICE ORDER

Sub : SIPCOT - Reorganisation of Project Finance
Department - Ordered.

.

In order to have better appraisal, monitoring, recovery and for operational convenience, the appraisal, disbursement, monitoring and recovery functions are merged together and bifurcated into two departments as Project Finance - I & Incentives Department and Project Finance-II & Administration Department.

The Project Finance-I & Incentives Department (PF.I & I) will be headed by Thiru T.Meenakshisundaram, General Manager.

The Project Finance-II & Administration Department (PF.II & A) will be headed by Thiru R.Rajamanickam, General Manager. The financial services functions will also be under the control of Thiru R.Rajamanickam.

The Distribution of sectors under Project Finance-I & Incentives Department and Project Finance-II & Administration Department are furnished in the Annexure to this order.


The orders regarding allocation of supporting personnel to the Project Finance-I & Incentives Department and Project Finance-II & Administration Department will issue separately.

This order will take effect from 2.5.1997.

To
Thiru T.Meenakshisundaram,
General Manager
Thiru R.Rajamanickam,
General Manager
Copy to : General Manager(P&D)
All HODs and S.E.
All RMs and FOS
P.S. to Chairman
P.S. to M.D.

QUDSIA GANDHI
MANAGING DIRECTOR

/FORWARDED BY ORDER/


DY. MANAGER (PERSONNEL)

ALLOCATION OF SECTORS

I) PROJECT FINANCE - I & INCENTIVES DEPARTMENT

- 1) TEXTILE projects in Anna, MGR, South Arcot Vallalar, Villupuram Ramasamy Padayatchiar, North-Arcot Ambedkar, Thiruvannamalai Sambuvarayar, Salem, Rajaji, Dharmapuri, Periyar, Coimbatore, The Nilgiris and Thanjavur Districts.
- 2) Chemicals
- 3) Cement
- 4) Ceramics
- 5) Food Processing
- 6) Drugs & Pharmaceuticals
- 7) Dyes, Pigments and Paints
- 8) Plastics
- 9) Paper
- 10) Petro Chemicals
- 11) Solvent Extraction
- 12) Tubes & Tyres
- 13) Pesticides, and
- 14) Hospitals.

II) PROJECT FINANCE-II & ADMINISTRATION DEPARTMENT

- 1) TEXTILE projects in Tiruchirapalli, Perumbidugu Mutharayar, Karur Dheeran Chinnamalai Gounder, Perambalur Thiruvalluvar, Nagapattinam-Quaide-E-Milleth, Tiruvarur A.T.Panneerselvam, Pudukkottai, Madurai, Mannar Thirumalai, Ramenathapuram, Kamarajar, Pasumpon Muthuramalinga Thevar Thirumaganar, Tirunelveli Kattabomman, Chidambaranar and Kanniyakumari Districts.
- 2) Auto Ancillaries
- 3) Castings & Forgings
- 4) Engineering
- 5) Electrical, Electronics and Telecom Equipments
- 6) Printing & Packaging
- 7) Leather Products
- 8) Hotels
- 9) Granites, and
- 10) Miscellaneous.

Sd-xxx
QUDSIA GANDHI
MANAGING DIRECTOR.

Oliver D. ...
DY. MANAGER (PERSONNEL).

DRAFT:

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED
19-A, RUKMANI LAKSHMIPATHY ROAD, EGMORE, CHENNAI - 600 008.

OFFICE ORDER

O.O.No. 17/97


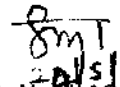
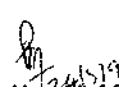
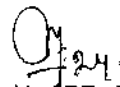
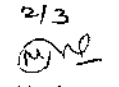
Dt. 26.5.97

Sub: Project Appraisal - Procedure for
getting credit information of
promoters and their associate
concerns - Reg.

The credit worthiness of the promoters and their associated concerns, hitherto obtained at the time of detailed appraisal, should be obtained at the Project Enquiry stage itself, before placing the proposal in the Preliminary Clearance Meeting.

Since the credit opinion of the concerned bank/institution is an important document, the same has to be obtained directly from the concerned bank/institution, and not through the party who has an interest in the matter. This aspect (as per the format enclosed) should be clearly spelt out in our RPAD letter to the concerned bank/institution.


MANAGING DIRECTOR

 23/5/97
D.G.M. (LAS-I)  24/5/97
A.G.M. (LAS-II)  24/5/97
D.G.M. (LAS-I)  24/5/97
G.M. (PF-I)  24/5/97
G.M. (PF-II)

To

All General Managers
D.G.M. (LAS-I)
A.G.M. (LAS-II)
HODs
PS to Chairman
PS to M.D.

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED
19-A, RUKMANI LAKSHMIPATHY ROAD, EGMORE, CHENNAI-600 008.

O.O.No.24/97

Dated: 16-7-97

OFFICE ORDER

Sub: Recovery of our dues - Arrears of
sales tax - priority over the charges
created by financial institutions/
Commercial Tax Department - Procedure
to be followed - Reg.

Ref: Joint Secretary to Government, CTRE Dept.,
D.O.Lr.No.43109/F1/95-12 dt.9.6.97.

* * *

A Committee Meeting was held on 26.5.1997 to resolve the issue regarding claiming of priority over the charges created by financial institutions for the term loan extended to the Industrial units and the powers of the Commercial Tax Department in the event of default in payment of sales tax dues.

It was decided in the meeting that Financial Institutions should intimate the concerned Commercial Tax Officer with regard to charges created; recovery action proposed; details of term loan assistance etc. so that whenever the property is attached by Commercial Tax Department, the same can be intimated to the financial institution and to keep both the institutions and Commercial Tax Department abreast of the developments with regard to penal action being taken by C.T. Dept./Financial Institutions for recovery of dues. The decisions taken in the Standing Committee are detailed below for taking further course of action by the concerned departments.

1. The State Financial Institutions shall intimate to the concerned assessing officer of the Commercial Taxes Department whenever they create a charge on the property of a dealer. The assessing officer shall make a due note of this in the file of the concerned dealer.

...2...

2. If the property of the dealer is attached by the Commercial Taxes Department for recovery of dues this fact shall be immediately intimated to the concerned field officer of the State Financial Institution to which the property of the dealer was mortgaged.

3. In the event of the State Financial Institution proceeding to attach the property for realisation of their dues, intimation shall be sent by the concerned field officer of the State Financial Institution immediately to the assessing officer concerned of the Commercial Taxes Department. That Assessing Officer shall within a period of 2 weeks intimate the concerned field officer of the State Financial Institution the total amount of duty of sales tax, interest, penalty and other dues.

4. It was felt that auction sale conducted by the State Financial Institutions may be more desirable since it may enable better and quicker realisation of sale proceeds. The procedure to be followed in cases auction or sale proceeds have already been initiated by Commercial Taxes Department will have to be worked out in consultation with Law Department.

5. When the property is being auctioned or sold the State Financial Institution concerned shall make it clear as a condition in the sale notice or tender document that the sales tax dues will have to be paid by the purchaser. The title of the property shall not be transferred to the purchaser by the Financial Institutions until a clearance certificate is obtained from the assessing officer concerned that all dues have been paid.

6. In cases where the sale proceeds is not sufficient to cover dues to Government by way of tax interest and penalty as well as dues to Financial Institutions fully adjustments towards sales tax would be made first. In regard to the dues to the Government by way of interest and penalty waiver proposals will have to be considered by Government. Government would examine separately while issuing detailed orders the cases in which such waiver could be considered automatically and the order of priority and mode of adjustment of the following dues apart from tax:

...3..

- a. Interest to Government
- b. Penalty to Government
- c. Other levies and charges due to Government
- d. Principal due to the Financial Institutions
- e. Interest due to the Financial Institutions
- f. Any dues by way of penal interest, surcharge etc.
- g. Any other dues to the Financial Institutions
by way of fees, etc. will have to be laid down
clearly. This issue would be examined in
consultation with Industries, Law and Finance
and on the basis of the decision arrived at
orders will be issued.

7. It was agreed that in order to make things clear specific orders will be issued by Government in supersession of the order of Industries Department (G.O.Ms.No.1394, dated 4.12.90) (which has unfortunately created some confusion in the minds of officials and financial institutions), so that the procedures to be adopted in all such cases is clearly laid down and on this basis instructions can be issued to all concerned Commercial Taxes Department officers and the Field Officers of the Financial Institutions. In the meanwhile decisions arrived at Para 7(a) to (d) instructions can be issued by the Commissioner of Commercial Taxes and CMDs, TIIC and SIPCOT.

Sd/ x x x
MANAGING DIRECTOR.

To


All General Managers.
All HODs/ C.E.
P.S. to Chairman
P.S. to M.D.


/Forwarded by Order/



Asst. General Manager(ID).

OFFICE ORDER

As per the existing O.O.NO:18/97 dated 2.6.97 all Legal, Possession and BIFR cases are being handled by SUR Department. In order to have better co-ordination and effective follow-up it has been decided that all Legal/Court cases hitherto handled by SUR Department in consultation with Legal Department, will herein after handled by Legal Department for quick disposal of cases.


A.G.M(SUR) 22/7


G.M(PF-I) 22/7


M.D.

DRAFT FOR APPROVAL :

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED
19-A RUKMANI LAKSHMIPATHY ROAD, EGMORE, CHENNAI - 600008.

O.O. No. 16/98

Dated : 16.6.1998

OFFICE ORDER


Sub : Waiver of penal interest arisen out of
• foreclosure and recall effect for
Going Concern.

Ref : Minutes of the Board Meeting held on
27.5.1998;

~~A~~-X-X-X-X-X


The Board of SIPCOT at its meeting held on 27.5.1998 decided that as a policy, penal interest arisen out of foreclosure and recall effect ^{in respect of Going Concern} shall be waived based on merits of each case where all other interest dues are paid in full before making such a request.

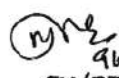
The Board has also decided to delegate necessary powers to the Managing Director to take decision in such cases.

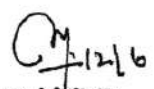

2
2
QUDSIA GANDHI
MANAGING DIRECTOR

To

All General Managers
All Heads of Department
Chief Engineer
All Project Officers
Accounts Department
P.S. to M.D.
P.S. to Chairman


AGM (OP-II)


4668
GM (PF-I)


12/6
GM (PF-II)

DRAFT FOR APPROVAL:

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED
19 A, RUKMANI LAKSHMIPATHY ROAD, EGMORE, CHENNAI - 600 008.

O.O.NO. 24 /98

X

DT. 3.10.98.

OFFICE ORDER

SUB: Delegation of powers regarding Equipment
Lease Finance, Bill Discounting Scheme
and Short Term corporate Loan for LC Margin.

The following delegation of powers are ordered in
respect of Equipment Lease Finance Scheme, Bill Discounting
Scheme for Capital Goods for suppliers and Short Term Corporate
Loan for LC Margin to General Manager (PF II &A).

No deviation from prescribed procedure or relaxations
shall be ordered without the prior approval of Managing Director.

Sl.No.	Nature of Powers	G.M.(PF II&A)
1.	Without any deviation in norms/conditions of sanction.	
i.	Disbursement of Equipment Lease Finance upto 250.00 lakhs	Full Powers
ii.	Bills Discounting Scheme for capital goods upto Rs.250.00 lakhs	Full Powers
iii.	Short Term Corporate Loan for LC Margin upto Rs.1000.00 lakhs	Full Powers

2. To approve changes/modification proposed by the assisted units in the list of machinery and also the source & supply indicated in the Appraisal Report to the MD at the time of sanction of the loan, such approval should be granted only where the proposed changes do not result in increase in the overall project cost as per the Appraisal Report. Full powers
3. Approval for deletion of machineries, machinery suppliers without affecting the technical feasibility/ viability as originally envisaged. Full powers
4. Approval for lapsing of undrawn loan amount on completion of projects and/or upon request of the companies. Full powers
5. Approval for issue of commitment letter to Banks for opening letter of credit within the original approval. Full powers

This order comes into force with immediate effect.


 QUDSIA GANDHI,
 MANAGING DIRECTOR.

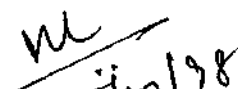
To

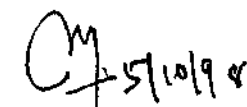
The General Manager (PF II & A)

Copy to:

All GMs,
 All HODs
 All RMs/POs,
 Accounts Department
 PS to Chairman
 PS to MD.


 D.M.


 Mgr.


 G.M. (PF II & A)

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED
19-A, RUKMANI LAKSHMIPATHY ROAD, EGMORE, CHENNAI-600 008

. . .
OFFICE ORDER

NO. 23/99

Dated: 19.7.1999

Sub:-Legal - Verification of Collateral
Securities - Orders issued - Reg.

. . .

Legal Department used to scrutinise the title to the properties submitted by the assisted units, based on the documents given to them and certify the marketability of the properties. However, identification of the Security Offerer is required to be made to avoid impersonation.

The Officers of OP/SUR Department who are to verify the assets and assess the valuation of the property can very well identify the owners of the property. Henceforth the Officers of OP/SUR Department have to identify the owners of the Collateral Security offered and certify to the Legal Department as to the identify of the security offeror.

This order comes into effect immediately.

QUDSIA GANDHI,
MANAGING DIRECTOR.

To

All General Managers

All HODs

F.S. to Chairman

F.S. to M.D.

/Forwarded by Order/


ASSISTANT GENERAL MANAGER(LAW)

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LTD.
19-A, Rukmani Lakshmiipathy Salai, Egmore, Chennai - 600 008.

O.O.No. 21 /2001

Dt. 4.2.2001

OFFICE ORDER

Sub . Constitution of a Committee for preparation of manual on ^{PF} Term Loan-
~~Disbursement~~ - Reg

-X-X-X-X-

It is proposed to prepare a comprehensive ^{PF} ~~disbursement~~ manual to be used by the
Officers concerned For this purpose, a Committee is formed with the following
Officers:-

- 1) Thiru Reginald Ebenezer, Deputy Manager
- 2) Thiru K.Gunalan, Deputy Manager
- 3) Thiru SP.Meyyappan, Deputy Manager
- 4) Tmt. G.Sheila, Assistant Manager

The Committee will work under the guidance of GM(PF & SUR) and will
complete the work within a period of two months and submit the draft manual for
approval by the M.D.


MANAGING DIRECTOR.

To

The Officers concerned.

Copy to

All GMs
DGMs of OP-I, OP-II and SUR Depts.
P S. to Chairperson
P.S. to M.D.

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LIMITED
19A, Rukmani Lakshmipathy Road, Egmore, Chennai-600 008.

OFFICE ORDER

O.O.No.12/2002

Issued date: 24.05.2002

Re-issued

Date: 11.02.2021

Sub: Term Loan – Recovery Proceedings – Instructions – reg.

It is noticed that in many of the term loan assisted units, the recovery proceedings are not continuously monitored. The unit holders used to request for revision in repayment schedule / One Time Settlement (OTS) and under the pre-text of pending proposals continue to default and approach BIFR / Court and obtain orders preventing the recovery proceedings of SIPCOT.

These is also abnormal delay in effectively pursuing action in most of the case of recovery. In all cases of recovery the proceedings should not be delayed on promises of OTS or on receipt of Reschedulement proposals. Unless CMD's specific orders are obtained not to proceed further – considering the reschedulement / OTS proposal of the unit, the recovery proceedings should be continued by the concerned departments. Any delay in the recovery proceedings will be viewed very seriously.

(This Office Order is re-issued)

Place: Chennai-8

Dated: 24.5.2002

Sd/-
CHAIRMAN AND MANAGING DIRECTOR

To

All GMs
ALL HODs
Officers of PF & SUR Depts.
P.S. to CMD

//Forwarded By Order//


MANAGING DIRECTOR

21/22

Rev: Rk
DFA

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LTD.
19-A, RUKMANI LAKSHMIPATHY ROAD, EGMORE, CHENNAI-8

O.O. No. 7 /2005 Dated: 8.2005

OFFICE ORDER

Sub: SIPCOT - Policy/Guidelines for Reschedulement/
Recovery of dues through OTS.

The Board of SIPCOT at its meeting held on 21.3.2005 and 13.7.2005, has approved the following policy/guidelines for reschedulement and for recovery of dues through OTS proposal with effect from the above mentioned Board meeting dates and would be in force upto 31.3.2006 and reviewed thereafter.

For the purpose of offering OTS/reschedulement the assisted units are classified into three categories. The categorisation of the units, the concessions to be extended for OTS/reschedulement are as follows:

CATEGORY - I

Units which are closed for a period of 3 years either by recovery action of the financial institutions or voluntarily by the promoter themselves due to various reasons such as market condition, change in Govt. policy, dispute among the promoters/abandoned/incomplete project etc.

OR

Units whose net worth erosion is more than 100% as on 31.3.2004 and incurred cash losses continuously for the last 3 years ending 31.3.2004.

a. OTS PROPOSAL:

For the above said cases, the following concessions will be extended for One Time Settlement:

Waiver of penal interest, additional interest levied due to foreclosure effect, interest on interest and part of simple interest.

If the market value of the primary and collateral securities is less than 50% of the term loan principal outstanding to SIPCOT, TIIC and other institutions, 8% simple interest will be charged on the principal outstanding as per the books of accounts of SIPCOT and the interest amount already paid by the company will be adjusted against this component.

In case the market value of the primary and collateral security is more than 50% of the term loan outstanding to SIPCOT, TIIC and other institutions, 12% simple interest will ^{be} charged on the principal outstanding as per books of accounts of SIPCOT and the interest amount already paid by the company will be adjusted against this component.

The value of the primary and collateral security should have been done by an IT panel valuer within the preceding one year.

In case the interest already collected by SIPCOT is found to be in excess of the applicable Simple Interest of 8% or 12% as the case may be, OTS amount would be principal outstanding as per the books of accounts of SIPCOT and other dues.

b. RESCHEDULEMENT:

In respect of the above said cases (including BIFR approved cases) reschedulement of principal / funding of interest and other dues will be considered as given under:

1. Penal interest to be frozen and considered for waiver on full settlement of loan.
2. Interest free funding of interest on interest component.

3. Simple interest will be funded at the document rate or 12% p.a. whichever is less and will carry interest w.e.f. date of reschedulement.
4. Reschedulement of principal (including overdues) at the rate of 12% p.a. or document rate whichever is less and will carry interest w.e.f. date of reschedulement.

The above said reschedulement/funding of interest would be restricted to a period of 5 years from the date of reschedulement. However for BIFR approved cases, the reschedulement period would be a maximum of 7 years. .

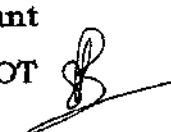
CATEGORY - II:

Units which are in operation for a period of 5 years as on 31.3.2005 and 50% of the net worth eroded as on 31.3.2004 and incurred cash loss in any of the 2 years out of the 3 preceding years as on 31.3.2004.

a. OTS PROPOSAL:

For the above said cases, if they approach for OTS, the following concessions will be extended:

Waiver of Interest on interest, penal interest, additional interest levied due to foreclosure effect.

In case the interest already collected by SIPCOT^{is} found to be in excess of the interest calculated at document rate, the OTS amount would be principal outstanding as per the books of accounts of SIPCOT and other dues. *with interest at document rate* . 

b. RESCHEDULEMENT:

In respect of the above said cases, reschedulement of principal /funding of interest and other dues will be considered as given under:

1. Penal interest to be frozen and considered for waiver on full settlement of loan.
2. Interest free funding of interest on interest component.
3. Simple interest will be funded at the document rate or 13.5% p.a. whichever is less and will carry interest w.e.f. date of reschedulement.
4. Reschedulement of principal (including overdues) at the rate of 13.5% p.a. or document rate whichever is less and will carry interest w.e.f. date of reschedulement.

The above said reschedulement/funding of interest would be restricted to a period of 5 years from the date of reschedulement.

CATEGORY - III

All other units (not covered in Category I & II).

a.OTS proposal:

In respect of all other units who approach for OTS, waiver of penal interest alone, will be considered.

b. RESCHEDULEMENT:

In respect of the above said cases, reschedulement of principal/funding of interest and other dues will be considered as given under:

1. Penal interest to be frozen and considered for waiver on full settlement of loan.
2. Interest free funding of interest on interest component.

3. Simple interest will be funded at the document rate or 15% p.a. whichever is less w.e.f. date of reschedulement.
4. Reschedulement of principal (including overdues) at the rate of 15% p.a. or document rate whichever is less w.e.f. the date of reschedulement.

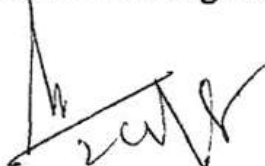
The above said reschedulement/funding of interest would be restricted to a period of 5 years from the date of reschedulement.

GENERAL:

- a. 10% of the principal outstanding amount has to be paid upfront at the time of application for One Time Settlement.
- b. The company should convey its acceptance of OTS offer and pay 25% of the OTS amount within 15 days from the date of communication.
- c. The company shall pay the entire balance OTS amount within 90 days from the date of communication.
- d. CMD may extend the OTS period upto 12 months from the date of sanction of OTS by the Board based on the merits of the case.
- e. The OTS amount would carry a simple interest at the rate of 13% p.a. or document rate which ever is less on the balance OTS amount outstanding from the 91st day of OTS communication letter for OTS cases approved from 13.7.2005 onwards. In respect of OTS cases approved prior to 13.7.2005 the OTS amount would carry simple interest at document rate of interest on the balance OTS amount outstanding from the 91st day of OTS communication letter.
- f. The scheme of OTS and reschedulement shall also be extended to proposals involving change of management subject to fulfillment of all the applicable conditions.
- g. The request of the assisted units for OTS/reschedulement have to be placed before the Board of SIPCOT for approval/sanction.

- h. Appropriation of interest collected from the assisted units will be in the order of simple interest, interest on interest and penal interest for determining the components of simple interest, interest on interest and penal interest to extend the concessions for reschedulement cases.

The above Office Order is issued in supersession of all earlier proceedings / circulars/Office orders issued in this regard.



CHAIRMAN & MANAGING DIRECTOR.

To

All General Managers

All HODs

All Officers in F&R Department


PS to CMD

Y2


23/8/05
DM


23/8/05
MGR


23/8/05
DGM (F&R)


24/8/05
DM (T.A.)
2/2

O.O. No.13/2005

Date 30.11.2005

OFFICE ORDER

Sub: SIPCOT Policy/Guidelines for Reschedulement /
Recovery of dues through OTS – Cases pending
if any in Vigilance /Crime Department – Reg.
Ref: O.O. No.7/2005 dated 24.08.2005.

In the O.O. above cited, Policy/Guidelines to be followed for Reschedulement / OTS proposals of term loan assisted units have been issued. Now at the Board meeting held on 11.11.2005, our Board have approved certain OTS proposals subject to a condition that no Criminal, Vigilance or corruption cases is pending against the borrowing companies and or its promoters/directors.

In view of the above, the concerned Departments have to obtain an Affidavit or Undertaking from the MD of the company that no Criminal, Vigilance or Corruption cases is pending against the company /Promoters/Directors. Further, a report has also be obtained from the Establishment Dept. of SIPCOT that there is no reference from Vigilance/Crime Dept. in respect of the company and or its Promoters/Directors and SIPCOT has also not referred the case to Vigilance/Crime Dept.

Further the cut off date for calculation of dues for OTS/^Reschedulement has to be taken upto ^{the} ^{the} end of month previous to the Board Meeting ~~month~~.

Comm
30.11.05
AGM(F&R-II)

30/11/05
DGM(F&R-I)

30.11.2005
CHAIRMAN & MANAGING DIRECTOR

2/2

To

All General Managers
All HODs
All Officers in F&R Department
PS to CMD

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LIMITED
19-A, RUKMANI LAKSHMIPATHY SALAI, EGMORE, CHENNAI-8.

O.O.NO. 11 /2018

Dated: 25.10.2018

OFFICE ORDER

Sub: SIPCOT - Constitution of Internal Valuation Committee - for valuation of mortgaged assets of SIPCOT assisted units for OTS - orders issued.

The Board of SIPCOT at its meeting held on 26.9.2018 revised the One Time Settlement policy including the principle, guidelines and the procedures. Accordingly, Internal Valuation Committee with the following members has been constituted in order to have second valuation for the purpose of OTS/sale of assets.

1. Project Officer (located nearby the Assisted unit) - Member and Co-ordinator.
2. Officer in the rank of Tahsildar and above (on deputation to SIPCOT) for valuation of land.
3. Officer in the rank of Asst.Executive Engineer/Asst.Manager(Civil) and above including deputationists for valuation of Buildings and Plant & machinery.

The Committee shall provide Guideline value, Market value, Realizable Value and Distress sale value in the valuation reports. Besides the report shall mention the classification of property viz. commercial/residential/industrial/agricultural and location of property ie. Corporation/Municipal towns/villages. The Committee shall also report on the functioning status of the unit.

Sd/-
K.SRINIVASAN
MANAGING DIRECTOR


To

The Members concerned

Copy to:

- 1.PS to MD
- 2.GM(A&LA)
- 3.GM(P&D)
- 4.All HOD's
- 5.PMs/POs/PO s i/c.

//FORWARDED/BY ORDER//

h/h. 
ASSISTANT GENERAL MANAGER(F&R)

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LIMITED
19-A, Rukmani Lakshmipathy Road, Egmore, Chennai - 600 008.

O.O.No.19/2019

Dated:19.06.2019

OFFICE ORDER

Sub: Delegation of Powers to General Manager (A&LA) - Orders issued.

Ref: Connected Records.

ORDER:

The following delegation of powers are ordered to General Manager (A&LA).

Sl.No.	Department	Nature of Powers	Level of Delegation Existing	Level of Delegation Revised
1.	F&R	For selection / entrustment of TIIC panel valuer for valuation of mortgaged assets of possession taken units in the case of sale of assets and OTS and making payment to the panel valuers	Rs.5000/- each for Land & Building and plant & machinery + Tax and conveyance and other incidental charges	Rs.10000/- each for Land & Building and plant & machinery + Tax and conveyance and other incidental charges.


Sd/-
MANAGING DIRECTOR

To
All General Managers
CFO
All SPM/PM/POs

Copy to:

All HODs
P.S. to M.D.

/Forwarded by Order/


ASST. GENERAL MANAGER (F&R)

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LIMITED
19-A, Rukmani Lakshmipathy Road, Egmore, Chennai - 600 008.

O.O.No. 17/2020

Dated: 23.03.2020

OFFICE ORDER

Sub: Delegation of Powers to General Manager (F) - Orders issued - Reg.

Ref: 1) O.O. No19/2019 dt.19.06.2019
2) Circular No.16/2020 dt.17.3.2020

ORDER:

Consequent to the re-organisation of the Corporation vide reference 2nd cited, the following delegation of powers are ordered to General Manager (F).


Sl. No	Department	Nature of Powers	Level of Delegation Existing	Level of Delegation Revised
1.	Finance	For the entrustment of TIIC Panel Valuer for valuation of mortgaged assets of possession taken units for the sale of assets and OTS and making payment to the Panel Valuers as per approved fees of SIPCOT.	Professional fee of Rs.5000/- each for Land & Building and plant & machinery + Tax and conveyance and other incidental charges	Professional fee of Rs.10000/- each for Land & Building and plant & machinery + Tax and conveyance and other incidental charges.

Sd/-
MANAGING DIRECTOR

To
General Managers
All Project Officers

Copy to:
All HODs
P.S. to M.D.
E.A. to ED

/Forwarded by Order/


GENERAL MANAGER (FINANCE)

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LIMITED
19-A, RUKMANI LAKSHMIPATHY ROAD, EGMORE, CHENNAI-600 008

O.O.No. 33/2020

Dated: 19.8.2020

OFFICE ORDER

Sub: SIPCOT - Dispensement of Internal Valuation Committee constituted for the purpose of valuation of mortgaged assets of SIPCOT assisted units for Sale of assets - orders issued.

Ref: O.O.No.11/2018 dt.25.10.2018

The Board of SIPCOT at its meeting held on 12.8.2020 while streamlining the existing procedures of sale of mortgaged assets of the assisted units directed that SIPCOT shall utilize the services of TIIC for valuing the mortgaged assets of units which were taken possession by SIPCOT for fixing the upset price.

Accordingly, the Board Resolved that the Internal Valuation Committee of SIPCOT be and is hereby dispensed with and valuation of the mortgaged assets of units which were taken possession shall be done through TIIC".

This office order is issued in supersession of all earlier office orders issued in this regard.

Sd/-
(J.KUMARAGURUBARAN)
MANAGING DIRECTOR

To
All the Project Officers

Copy to:

- 1.GM(F)
- 2.DGM(P-I)/P-II/P-III
- 3.SE
- 4.CT(O)
5. All HODs
6. PA to MD
7. PA to ED

/Forwarded by order/


19/8/2020
GENERAL MANAGER(F)