

BIADA INDUSTRIAL AREA DEVELOPMENT AUTHORITY

Regional Office, Muzaffarpur

Website www.biada.org.in Email biada.bclamuz@yahoo.com

ALLOTMENT LETTER

Ref: 2110 /

Dated: 31.10.07.....

From:

Er. A.K. Thakur,
Executive Director

To:

M/s Steel Authority of India Ltd.
Bokaro Steel Plant,
Steel Processing Unit,
Ispat Bhawan, Room No.-214,
D, Block,
Bokaro Steel City, Jharkhand-827001.

Subject: Regarding allotment of land to M/s Steel Authority of India Ltd., Industrial Area (West Champaran Bettiah,) Kumarbagh.

Sir,

In reference of your application letter dated 29.09.07 you are informed that your firm M/s Steel Authority of India Ltd. which is a Large scale unit have been allotted in 50.00 Acres of land bearing Plot No- A(Part) 2 in Industrial Area Kumarbagh for the establishment of Pipe, Sheet, T.M.T. Industry for the lease of 90 years subject to the conditions given at the end of this letter. In case of not fulfillment of any of the conditions, the allotment of land will be cancelled.

1. The unit will have to pay total Cost of land which comes out to be Rs. 1,89,94,400.00 (One Crore eighty nine lakh ninety four thousand four hundred rupees only) at the provisional rate of Rs 3,79,888.00 per Acre on down payment of the value of Land and /or Shed and its development. The payment shall be made in the form of Bank Draft in favour of BIADA within 15 days of the date of issue.
2. This cost is provisional. This cost may change as a result of increased compensation for land acquisition, cost of decrees awarded, cost of land development, cost of rehabilitation and policy decision of Government about other considerations regarding cost of land. Allottee shall be liable to be charged extra money over and above what is indicated in para 1.
3. This increased cost of land will be payable by the unit within a fortnight of receipt of information and the unit will have to execute a bond to this effect.
4. If the unit desires it can pay the aforementioned cost in one installment or in installments with interest. Initial Payment (First Installment) shall be 30% of the total cost i.e. Rs 56,98,320.00 (Fifty six lakh ninety eight thousand three hundred twenty rupees only) and is to be paid before acquiring possession of land. Balance amount is to be paid in seven annual installments of Rs 22,79,350.00 (Twenty two lakh Seventy nine thousand three hundred fifty rupees only). The second installment will be due one year after the allotment. Balance installments will be due on same date in subsequent years.

The interest charged shall be 5 % and shall be compounded annually. In case of late payment, there shall be a penalty of 2 % and in case of payment before time, there shall be a rebate of 2 %. The recovery of the dues shall be made as if these are public demand under Bihar and Orissa Public Demands Recovery Act.

6. Unit will have to enter into written agreement with BIADA for making payments in installments towards cost of land. Land will be mortgaged with BIADA till installments are fully paid.
7. Other than the cost of land, unit will have to pay Ground Rent for the land which will be Rs 5000.00 at the rate of Rs 100.00 per acre before 31st March of each year. This land rent may be reviewed after every 20 years.
8. Unit will have to furnish papers to satisfy BIADA regarding arrangements of financial assistance for Plant and Machinery and Raw materials.
9. Unit will have to get the maps of Factory approved by BIADA and Factory Inspector within one month after taking possession of the land. Any construction on the land without prior approval will be unlawful.
10. BIADA should be informed prior to taking any loans from any financial institutions or mortgaging land and shed allotted by BIADA. Bond and Lease deed must incorporate a clause that if the unit mortgages the land allotted by BIADA for taking loan from any financial institution/bank, it is mandatory for them to intimate about the same to BIADA. The allotment may be cancelled in case of any violation of this condition.
11. Unit will have to execute a Lease deed with BIADA and get it registered by appropriate Registering authority at their own cost.
12. The unit should comply all the statutory registration requirements under the laws in force, both of State and Union Government within two months from the date of allotment of plot.
13. Construction work should start within 6 months from the date of allotment order and the production should start within 2 years from date of land allotment order. If this is not complied with then land allotment will automatically be cancelled. Unit has the option to appeal against this to Industrial Development Commissioner.
14. The BIADA shall charge Rs 1000/- extra for boundary pillars erected on the plot after measurement.
15. Land will be allotted on as and whereas condition and no appeal will be entertained against it.
16. Entrepreneurs will have to provide certified proof of residential address issued by a competent authority. Two attested passport size photographs, registered partnership deed and certificate from Registrar under Partnership Act will have to be submitted.
17. 5 % of present average registration cost of allotted land of 21,78,000 Sq.ft.(50.00 Acre) i.e. Rs. 12,81,250/- is to be pay as one time maintenance charge.
18. In case of non payment of land cost, land rent or maintenance charge, the Allotment will automatically be deemed cancelled.
19. Evaluated Cost of any pre existing structure and machinery on the allotted land will have to be deposited.
20. Assurance letter from bank regarding loan sanction will have to be submitted.
21. Conditions which may invite cancellation of the land allotment:-

A. Non adherence of the schedule of activity and the time frame given below -

Sl No.	Activity	Time Frame
a.	Allotment of Land :-	0
b.	Payment of 30% of land cost as 1 st Installment & Submission of Bond. :-	Within 15 Days of allotment
c.	Physical Possession & Provisional Memorandum No. :-	Within 30 Days of allotment
d.	Lease Deed after 50% investment of Promoter's Contributions. :-	Within 60 Days of allotment
e.	Start of Trial Production :-	Within 180 Days of allotment
f.	Full Commercial Production :-	Within 360 Days of allotment
g.	Permanent Memorandum No. :-	Within 370 Days of allotment

If the unit fails to complete any of the above activities within the above time frame, the allotment shall be cancelled.

- B. Going into Non Production - If the Unit goes into non production and does not start re-production within 6 months from the due date of closure of the unit.
 - C. Using the Plot for Purpose other than what has actually been approved by BIADA.
 - D. Changing the shareholding of the entity without approval of BIADA.
 - E. Subletting of the plot.
 - F- Violating any of the facts mentioned in this allotment letter.
- The decision of Managing Director (BIADA) on the issues of cancellation will be final.

22. Consequences of Cancellation -

After the cancellation, the BIADA may initiate following actions against the unit- .

- A. BIADA may file criminal proceedings against the unit; and/or
- B. BIADA may retake the possession and confiscate the plot along with structures and machineries standing thereon; and/or
- C.
- D. Forfeit any money that may have been deposited with BIADA; and/or
- E. Initiate such other action as permitted under law.

You are requested to confirm in writing within a fortnight of issue of this letter, your acceptance of the terms of allotment from para 1 to para 22. You must also state clearly if you wish to pay the cost of and in full or in installments. If no information is received from you within one month then allotment order will be deemed cancelled until renewed.

PCC meeting dated : 03.10.2007

M.D.'s Order dated : 03.10.2007

File No:- Mise/01/279/D

Saurav Verma
Development Officer

David L.
3/10/07

Yours Faithfully,

CAH
03.10.07
Executive Director.
RAC