



**GUJARAT INDUSTRIAL DEVELOPMENT
CORPORATION**

(A GOVT. OF GUJARAT UNDERTAKING)

Udyog Bhavan, Block No.3, 4th Floor, Sector -11,
Gandhinagar-382 017.

Phone: 23250634 to 23250637 Fax No. 079-23250587, 2325070

GIDC/ALT

Date: /07/2016

To,



L09003623084

Sender Name: VC & MD

Received
Date 20/08/2016

✓ Sh. K.V. Kamath
Chairman
ICICI Bank
ICICI Bank Tower,
Bandra Kurla Complex, Cuffe Parade, Colaba, Mumbai – 400005

Subject: Letter regarding “Not to grant any financial assistance through loan to the Allottees of GIDC for mortgaging of properties without 2 (r)/ 2(s) permission of GIDC”.

Ref 1 : GIDC Letter of Jan-2016 to Banks/ Financial Institutions regarding not to grant any financial assistance through loan to the allottees of GIDC for mortgaging of properties without 2 (r)/ 2(s) permission of GIDC.

Ref 2 : Representation from HDFC Bank vide letter dated 17-03-2016 & Representation from ICICI Bank vide letter dated 2-05-2016, 12-05-2016. Joint representation of ICICI Bank & HDFC Bank vide letter dated 17-05-2016.

Dear Sir/Madam,

GIDC has issued referred letter wherein it is felt necessary to make certain changes based on representations received from various Banks. In this connection, revised letter is issued:

As you may be aware, Gujarat Industrial Development Corporation (GIDC) is a State Government owned Corporation set up in the year 1962 under Gujarat Industrial Development Act, 1962. The objective of the Corporation is to secure orderly establishment and organization of industries in industrial areas/estates in the state of Gujarat.

The Head Office of GIDC is located at Udyog Bhavan, Gandhinagar and the Regional Offices are located at Ahmedabad, V.U. Nagar, Vadodara, Ankleshwar, Surat, Vapi, Mehsana, Surendranagar, Bhavnagar, Junagadh, Rajkot, Jamnagar and Bhuj. It has made a significant role in the acquisition of

land/allotment of various types of properties for development and expansion of Industries and thereby contributing continuously to the growth of the economy of Gujarat. The Corporation once acquires land under Land Acquisition Act 1894/2013, develops it by way of providing infrastructure and supportive Immunities and Amenities and thereafter allots the land on 99 years lease bases initially on the license agreement. Since the allotment is on license/lease basis the ownership of land vests with GIDC.

In order to ensure smooth functioning of our organisation, the support of financial institutions is also very essential for us. In this regard, it is to kindly state that the allottees of GIDC are seeking financial assistance through loan from various financial institutions such as Public Sector Banks, Private Sector Banks, Co-operative Banks, other Financial Institutions etc., for development of property of Corporation in various Industrial Estates allotted to them by mortgaging the properties for which they are the lessee for 99 years. Banks/Financial institutions requests for 2(r)/2(s) permission of GIDC before mortgage creation. In some cases, it is noticed that Banks/Financial Institutions etc., get mortgage over allotted properties without getting 2(r)/2(s) permission of GIDC. Hence, it is requested to Banks/Financial institutions etc., to make it mandatory to the allottees to submit the said approved copy of 2(r)/2(s) permission of GIDC to the officer of the concerned Financial Institution, thereafter only, the mortgage may be created by the allottees of GIDC.

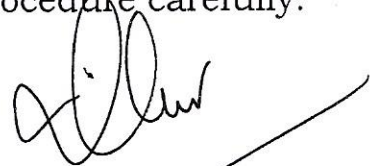
In certain circumstances, the allottee fails in repayment of loan and interest amount and sometimes they are not traceable. Banks/Financial Institutions in such cases take the possession under SARFAESI Act, 2002 of the said property and further auctions the same. Thereafter it approaches GIDC for transfer of the said property in name of the Auction purchaser. GIDC faces many difficulties to recover pre-liquidation dues, o/s dues, non utilisation penalties, charges, taxes, etc., and thereby causing huge financial loss for GIDC. Also it is resulting into inconvenience to GIDC, Concerned Banks/Financial Institutions, etc., and Auction Purchaser at the time of transfer of property.

Hence, it is requested that whenever allottees of GIDC approached your institution for financial assistance of allotted leased properties by way of mortgage, it should be made mandatory for all the concerned allottees of Corporation to submit the duly approved 2(r)/2(s) permission whichever is applicable issued by the concerned Regional Office of GIDC to the concerned branch of your Bank/Financial Institutions etc., and

thereafter only any mortgage shall be created by the allottee in favour of concerned branch of your Bank/Financial Institution etc. In such cases, kindly ensure that where the allottees fails to provide the above mentioned duly approved permission of the Corporation to your esteemed institution; do not initiate any further actions regarding creation of mortgage. In cases where mortgage is created by the allottees without 2(r)/2(s) permission of GIDC, GIDC will be open to strictly challenge the action of the Allottee and Bank/Financial Institutions etc., for recovery of all types of pre-liquidation dues, outstanding dues, taxes, non-utilisation penalties, fees etc. of the Corporation at any point of time which may please be seriously noted. Also the properties of the Corporation that are mortgaged by the allottees shall not be auctioned directly by the Banks/Financial Institutions etc., without prior permission of the Corporation in cases where 2(r)/2(s) permission is not granted. If such cases come to notice of the Corporation, GIDC shall be open to challenge the action of concerned Banks/Financial Institutions, etc., at any point of time which may please be noted. In cases where 2(r)/2(s) permission is granted by GIDC, prior intimation to GIDC duly acknowledged needs to be given by the Bank

We hope that your institution will support us for smooth functioning of GIDC and contribute in progress of the State by ensuring the implementation of above procedure carefully.

Thanking you,



(D Thara)

Vice Chairman & Managing Director

Copy to:

- 1) ED (E&A), GIDC, Gandhinagar to circulate the letter through hard copy and via email to all the Head Offices of All Banks/Financial Institutions, etc., in India.
- ✓ 2) GM Gr-I (S&A)- for putting it up on website of GIDC

Copy to:

- 1) All the officers of the Corporation..... for necessary action please.
- 2) All the Concerned Industrial Associations..... for information please.
- 3) FIA, Ahmedabad for information please.