

KERALA INDUSTRIAL INFRASTRUCTURE DEVELOPMENT CORPORATION

In exercise of the powers conferred by clauses 1 & 2 of Section (50) of the Kerala Industrial Infrastructure Development Act, 1993, the Kerala Industrial Infrastructure Development Corporation is pleased to make the following Regulations, namely:-

1. Short title and application

- (A) These regulations may be called "The Kerala Industrial Infrastructure Development Corporation, Disposal of Land Regulations, 1995".
- (B) They shall apply to all lands purchased or acquired or held by the Kerala Industrial Infrastructure Development Corporation and lands transferred to or placed at the disposal of the Kerala Industrial Infrastructure Development Corporation by the State Government.

2. Definitions

In these regulations unless the context otherwise requires:-

- (A) "Act" means the Kerala Industrial Infrastructure Development Act, 1993, as amended from time to time.
- (B) "Allottee" means any person to whom land may be allotted under these regulations and includes successors in interest or permitted assignees.
- (C) "Builder" means any individual, Partnership firm, Co-operative society, Private Limited Company, Public Limited Company engaged in construction activity.
- (D) "Building Completion Certificate" means a certificate to be issued by an Official on the completion of the building by an allottee in accordance with the terms and conditions contained in Agreement for lease.
- (E) "Building Regulations" means the regulations made by the Corporation for the purpose of regulating the construction of buildings on the Corporation's land.
- (F) "Common Amenities" means amenities like banks, post offices, business centres, canteen, police station, telecom facilities, warehouse, training centre and the like which are to be used by all allottees.

- (G) **"Common Portions"** means those parts of the building and/or premises which are used in common and includes land, gateway, enclosures, compound walls, fencing, paths, open grounds, gardens, passages, corridors, staircase, terrace, cabins, fittings, fixtures, lifts and installations whether for water supply, drainage or lighting purposes and all such facilities which are used in common.
- (H) **"Common Services"** in relation to common portions means the services, which are rendered by the Corporation for maintaining; running or keeping in good condition the common portions use whereof may be regulated by the Corporation.
- (I) **"Corporation"** means the Kerala Industrial Infrastructure Development Corporation established under section 4 of the Act.
- (J) **"Entrepreneur"** means any individual, partnership firm, Co-operative society, Private Limited Company, Societies registered under the Charitable Societies Act, Public Limited Company engaged in industrial activity.
- (K) **"Form"** means a form appended to these Regulations.
- (L) **"Industrial Activity"** means the activity of setting up and running any industry including common amenities.
- (M) **"Industrial Park"** means those lands developed by KINFRA for carrying out Industrial activity.
- (N) **"Land"** means land as defined in 1(B).
- (O) **"Land Allotment Committee"** means the Committee formed by the Corporation for the purpose of dealing with all matters connected with the disposal of land or property owned or transferred to the Corporation by the State Government. The committee will consist of Managing Director, KINFRA, Chairman, Pollution Control Board, Managing Director of subsidiary companies of KINFRA or other members nominated by KINFRA.
- (P) **"Managing Director"** means the Managing Director appointed by the State Government under Section (6) of the Act and shall include any other Office or Officers to whom the duties and functions of the Managing Director may be assigned.
- (Q) **"Officer"** means any official appointed by the Corporation and shall include any other Office or Officers to whom the duties or functions of the Corporation may, for the time being, be assigned.
- (R) **"Plot"** means the plot of land allotted under these rules to an allottee.

- (S) **"Lease premium"**, means lease granted upon payment of the price of land as a one time down payment or installments.
- (T) **"Standard design factory buildings"** means factory buildings constructed as per the standard designs given by the Corporation.
- (U) **"Subsidiary Companies"** means subsidiaries formed by the Corporation to develop industrial infrastructure, invoking the powers vested with the Corporation, as per the clause 10(m) in the Act.

The words and expressions used in these Regulations but not defined therein shall have the same meaning respectively assigned to them in the Act.

3. **Layout of Industrial Parks**

The Corporation shall prepare a layout of the lands to be developed as Industrial Parks, before allotment.

4. **Parties to whom the land may be allotted**

The plots of land will be allotted to

- I) Entrepreneurs
- II) Builders
- III) Providers of common amenities

Provided that land may also be allotted to subsidiary Companies/undertakings by the Corporation on such terms as decided from time to time.

5. **Manner of disposal of land/open lands**

The plots of land may be disposed

- I) By public auction/tendering
- II) By entertaining individual applications;

The land is allotted on a leasehold basis for a period of 30 years, renewable for further terms at the end of the lease period.

In exceptional circumstances land may be allotted on outright sale basis to Central or State Governments, Statutory Corporations or Government Companies for provision of common amenities on the basis of payment of full consideration for the land by the allottee at or prior to the execution and registration of the Sale Deed.

6. Allotment of plot by applications to Private Builders

- I) Builders may be invited to participate in the construction of Standard Design Factory (SDF) buildings in the Industrial parks in a BUILD-OWN-LEASE-TRANSFER (BOLT) scheme.
- II) Land may be allotted by the corporation to a builder for the purpose of construction of SDF buildings.
- III) Land shall be leased to the builder for a period up to 30 years, as in agreement, which could be renewed for further terms.
- IV) The builder shall be chosen by a competitive tender, terms and conditions being as laid down in "Annexure 1", except in the cases where the builder is a public sector unit.
- V) The builder shall upon selection, execute an agreement in 'Form G'.
- VI) The builder shall have the right to lease the building or sell the building outright to the entrepreneur at a rate approved by KINFRA. The selection of the entrepreneur will be with the approval of KINFRA.
- VII) Where the building is sold outright, KINFRA shall transfer the lease right of the land from the builder to the entrepreneur.
- VIII) The builder shall be responsible for the collection of dues from the entrepreneur.
- IX) If the builder contravenes any of the terms and conditions of the agreement, KINFRA shall be entitled to resume the land and retender the work at the risk and cost of the builder. Allottees of the SDF buildings shall be subject to all other provisions of these regulations.

7. Terms and conditions of disposal of land by public auction

The Corporation may decide to dispose of the plots in any industrial park by public auction/tendering, when there is high demand for the plots.

Where the Corporation decides to dispose of the plots in any Industrial Park by public auction/tendering the terms and conditions governing the auction/tendering are as given under with such modifications as the Corporation may deem fit from time to time.

- I) The Corporation is not bound to accept the highest or any bid.

- II) Bids for less than the upset price shall neither be accepted nor recorded.
- III) The highest acceptable bidder shall be required to deposit immediately on the spot twenty-five per cent of the amount of his bid in cash and in default of such deposit the plot shall forthwith be again put up for disposal.
- IV) If the bid is accepted by the Officer the full amount of the bid money shall be paid by the highest bidder in the office of the Corporation on or before the 10th day from that on which the disposal of the plot has been confirmed or if the said 10th day be a Sunday or other authorised public holiday then on or before the first working day after such 10th day. The payment of the balance 3/4th amount shall be made by means of a Bank Draft drawn in favour of the Managing Director. No Cheques will be accepted.
- V) In default of the payment of the amount of the bid money within the prescribed time and in the prescribed manner the deposit after the expenses of the auction have been defrayed from it shall be forfeited to the Corporation and the plot shall be disposed of again and the defaulting bidder shall forfeit all claim to the plot or any part of the sum for which it may be subsequently disposed of.
- VI) If the proceeds of the disposal which is eventually made be less than the price bid by such defaulting bidder the difference shall be recovered from him by the Corporation as an arrear of land revenue.
- VII) If the disposal of the property is set aside the highest bidder shall be entitled to receive back his bid money without interest.
- VIII) The successful bidder will sign the Agreement in the "Form E" before the possession of the plot is handed over to him and observe the building and other regulations. The possession of the plot will not be handed over to the plot holder unless the License Agreement is executed. If the plot holder fails to observe any of the terms of License Agreement it shall be open to the Corporation to resume the possession of the plot without giving notice of such resumption and forfeit the occupancy amount in part or in full as may be decided by the Corporation. The Corporation's decision in this respect shall be final and conclusive. The final Lease will, therefore, be granted only after the terms specified in the License Agreement are complied with.
- IX) The Officer conducting the auction will have full discretion in refusing to record bids offered by any person or persons whose presence at the auction is considered by him undesirable. His decision in this respect shall be final.

8. Fixing of Lease premium

- I) The Lease premium will be fixed for each park on a case-to-case basis by a Pricing Committee, comprising Managing Director, KINFRA, General Manager (Planning & Business Development), KINFRA, Managing Director of the respective subsidiary, Manager -Finance and other members nominated by KINFRA.
- II) The following elements shall be considered in fixing the Lease premium:
 - (A) The actual land compensation paid/payable as per Awards and other incidental expenditure like Publication charges etc. shall be taken into consideration. Wherever the actual amounts are not finalised, the cost will be taken as recommended by the Corporation.
 - (B) Administrative overheads and interest, as decided by the Corporation from time to time.
 - (C) Development cost such as the development expenditure on infrastructure facilities. However, only those facilities would be considered as warranted by the circumstances, with respect to each park.
 - (D) Administrative overheads and interest as decided by the Corporation from time to time.

III) Revision of Lease premium

The Lease premium is liable to be revised in the event of the Corporation having to pay enhanced compensation for the lands acquired or for any other reason and such revised premium shall be paid by the allottee, as if it were a part of the original premium.

IV) General Revision of Premium

The Lease premium at various parks is liable to be reviewed periodically and revised. The revised Lease premium shall apply to future allotment.

V) Zoning of plots

In case of plots with frontage to National/State Highway or having any other advantage over the other plots, an additional Lease premium will be charged, as decided by the Managing Director.

9. Mode of payment

- I) The payment terms will vary from Park to Park as decided by the Corporation from time to time

II) Lease premium as Earnest Money Deposit (EMD)

10% of the lease premium shall be held as earnest money and such payment shall not be construed as any commitment or obligation on the part of the Corporation that a particular plot or any plot shall be allotted to the applicant at the rate prevailing at the time of deposit.

Notwithstanding the above the allottee shall pay a nominal lease charge during the remaining lease period.

III) Incentives/penalties on payment of installments

- (A) A reduction as decided by the Corporation will be awarded to the allottee who pays the installments on due date.
- (B) A penalty as decided by the Corporation from time to time will be charged on the allottee who makes any default of payment.
- (C) Amounts paid by allottee shall be adjusted first towards penalty, then towards interest and only there after towards principal.

10. Registration for land in Industrial Parks

When land is allotted by entertaining individual applications, registration for land shall be done in "Form A" along with a refundable fee of Rs.5,000/- per plot. In the case of firm allotment, this fee will not be refunded.

11. Consideration of applications for plots by the Land Allotment Committee

On receipt of any application for registration, the Managing Director shall make such enquiries, as he deems necessary and place it before the Land Allotment Committee with his recommendations.

12. Offer Letter

To those entrepreneurs selected by the Land Allotment Committee, an offer letter in "Form B" will be issued along with an application form for allotment (Form C).

13. Application for Allotment

Application for allotment in "Form C" is to be duly filled in and sent back along with the down payment /1st installment within one month of receiving the offer letter.

14. Allotment Order

An allotment order in "Form D" shall be issued to the allottee within 30 days of receiving the application for allotment.

15. Execution of License Agreement and handing over possession to entrepreneurs

Within 45 days of issuing the allotment order, the allottee shall execute a License Agreement in Form "E" and the possession of land shall be handed over. No allottee shall be given possession of the plot allotted to him before execution of such Agreement for Lease.

Provided the Corporation may in appropriate cases dispense with the execution of Agreement for Lease if the Corporation decides to grant a direct lease.

16. Execution of Lease in respect of plots allotted to entrepreneurs

On production of a Building Completion Certificate, the allottee shall be entitled to the execution in his favour of a Lease in Form "F".

Grant of Lease before completion of Factory Building: Provided that the Corporation may execute a Lease in favour of any allottee before the issue of such Completion Certificate if the Managing Director is satisfied that the allottee has made good and substantial progress in or towards the Building and execution of the works for which the plot was allotted and agrees to the incorporation in the Lease of a covenant for completing the building within a specific period.

17. Plots to be mortgaged to financial institutions

The Land allotted can be mortgaged to financial institutions or banks for raising funds to set up or run an industrial unit in the plot. Such financial institutions/banks, on creation of charge, shall give intimation to the Managing Director and thereupon shall have first charge over such plot. In case of default by

the mortgagor, the dues of the financial institutions/banks shall have first charge on the transfer proceeds of the plot.

18. Sale of plots

To the Govt. and other institutions selected by the Land Allotment Committee for outright sale of land an offer letter in Form “B” will be issued along with the application form for allotment (Form “C”). The application for allotment in Form “C” is to be duly filled up and sent back along with full consideration for the sale mentioned in the offer letter within one month of receiving the offer letter. The allotment order in Form “D” shall be issued to the allottee within 15 days of receipt of the application for allotment.

19. Execution of sale deed

On completion of any other formalities required relating to execution of the sale deed, the sale deed in respect of the plot will be executed and registered in Form “H”, all expenses for the same to be borne by the Allottee.

20. Excavation not allowed

The allottee shall not effect any excavation upon any part of the allotted plot or remove any stone, earth, or other material there from except so far as may, in the opinion of the offices, be necessary for the purpose of forming the foundations of the building and compound walls and executing the works.

21. Allottee not to cause any nuisance

The allottee shall not at any time, do, cause or permit any nuisance in or upon the allotted land which may be obnoxious or injurious or offensive by reason of effluent, dust, smoke, gas, noise, vibration or fire hazards etc. to neighboring plots.

The industries set up by the allottee shall be in accordance with the norms & rules framed by the Kerala State Pollution Control Board from time to time.

The Managing Director shall have full Powers to regulate these matters.

22. Allottee to keep the Corporation indemnified against Damages

The allottee shall keep the Corporation indemnified against any and all claims for damages arising as a consequence of the establishment and running of his unit.

23. Right of Corporation to use the vacant portions of Land

The Corporation reserves the right of utilising vacant portions of allotted plot at any time for laying pipelines, cables, underground drainage or drawing overhead lines without paying any compensation to the allottee for such use.

24. Reservation or Revocation of plots

If, in the opinion of the Managing Director, any plot/area is required to be reserved or withdrawn from allotment, the Managing Director may at any time reserve such plots or area or revoke any proposal to dispose of such a plot/area.

25. Surrender of plots

If any allottee or lessee intends to surrender the plot or a part thereof for any reason, the Corporation may accept it on such conditions as it may think fit. The Corporation may in such cases retain such part of the security deposit/ premium as the Corporation may decide and refund the balance of the premium to the allottee or the lessee. The decision of the Corporation in this respect is final.

26. Powers to resume the plots

The Managing Director shall have powers to resume the plots once allotted in the following circumstances after giving the allottee a chance to show cause.

- I) If the allottee contravenes any of the provision of these rules or of the agreement executed by him.
- II) If the allottee's unit is wound up
- III) If the allottee does not require the plot for the purpose for which it is allotted and informs Managing Director accordingly,
- IV) In the event of the allottee defaulting on payments.
- V) In the event of the allottee not commissioning the unit within the permitted period.
- VI) In the event of the unit not functioning continuously for one year any time after commissioning, or producing less than 10% of its best production in a year.
- VIII) If the allottee does not commence utilising the plot as agreed upon with the Corporation.

IX) Provided that the Corporation may, on case to case basis and on being satisfied as to the bonafides of the request made by any allottee for re-allotment of the land, re-allot / restore the land to the allottee subject to imposing a penalty of 10% of the prevailing lease premium after making good all dues to KINFRA till date and also on condition that the allottee shall start construction on the plot within 6 months from the date of such re-allotment/ restoration of land.

27. Powers to cancel the Allotment

The allotment of plot shall be liable to be cancelled if it is found that it was grossly inequitable or was made under a mistake of fact or owing to misrepresentation of facts.

28. Allottee to pay taxes, cess etc.

The allottee shall pay all taxes, cess , land revenue and other dues payable in respect of land from time to time.

29. Compliance of terms & conditions of agreement

The allottees shall abide by the provisions of the Act and the Rules and Regulations and orders made there under and the terms and conditions of the License Agreement.

30. Breach of terms of Agreement

If any Allottee contravenes any of the terms & conditions of the License Agreement, Corporation shall be entitled to resume possession of the plot.

31. Cost of execution to be borne by the allottees

All costs of and incidental to any of the documents referred to in these regulations (including the stamp duty and registration) shall be borne and paid by the allottees or lessees as the case may be.

32. Consideration of requests for transfer

The Managing Director may permit the lessee to transfer his plot on such terms and conditions (including payment of additional premium) as the Corporation may decide from time to time.

The transferee will have to make the payment at the rate prevailing at the time of transfer.

33. **Allottee to abide by Air/Water Pollution Rules**

The allottees/Lessees of plots shall be required to observe and perform all obligations and shall be required to abide by rules, regulations and bye-laws in force for the time being framed by the State Government or any other Authority as regards pollution of air/water.

34. **Renewal of Lease Period**

In cases where the land is leased for a term of 30 years, the Lessee, if it has complied with all the terms and conditions of the Lease, shall be entitled to renewal of the Lease for a further period of 30 years, on the same terms and conditions as in the Original Lease Deed. Provided that a written application in this behalf is made by the Lessee to the Lessor at least one year before the date of termination of the original term of the lease. In the event of such renewal, the Lessee will not be obliged to make any further payments towards the premium, but will have to continue to pay yearly rent at the same rate as provided in the Original Lease Deed, the other Terms and Conditions of the Lease Deed remaining the same.

35. **Right to enter the Plot**

The Managing Director and officers under him shall have the right to enter and inspect at any time the allotted plot to review the progress of project.

36. **Delegation of powers to the Officers**

The Corporation may delegate any of its powers under these Regulations to the Managing Director or any other Officer for the efficient working of the Corporation and for the purpose of achieving the objects of the Act.

37. **Saving Clause**

Plots of lands so far allotted by the Corporation before the promulgation of these regulations shall be deemed to have been done under the provisions of these regulations.