



ಕರ್ನಾಟಕ ರಾಜ್ಯಪತ್ರ

ಅಧಿಕೃತವಾಗಿ ಪ್ರಕಟಿಸಲಾದುದು

ಸಂಪುಟ ೧೪೯ Volume 149	ಬೆಂಗಳೂರು, ಗುರುವಾರ, ಸೆಪ್ಟೆಂಬರ್ ೧೧, ೨೦೧೪ (ಭಾದ್ರಪದ ೨೦, ಶಕ ವರ್ಷ ೧೯೩೬) Bangalore, Thursday, September 11, 2014 (Bhadrapada 20, Shaka Varsha 1936)	ಸಂಚಿಕೆ ೩೭ Issue 37
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ಭಾಗ ೧

ರಾಜ್ಯ ಸರ್ಕಾರದ ಮುಖ್ಯ ಆದೇಶಗಳು ಹಾಗೂ ಸುತ್ತೋಲೆ ಮುಂತಾದ
ಎಲ್ಲಾ ಇಲಾಖೆಗಳಿಗೂ ಸಂಬಂಧಿಸಿದ ಆದೇಶಗಳು

COMMERCE AND INDUSTRIES SECRETARIAT

Sub : Approval for allotment of land by Karnataka Industrial Areas Development Board on 99 years lease basis - Regarding.

Ref : (1) Government Order No: CI 358 SPQ 2009, dated 13.05.2010
(2) Letter No: KIADB/ 1104/ 2014-15, dated 03.05.2014

PREAMBLE :

Karnataka Industrial Areas Development Board which is constituted under the Karnataka Industrial Area Development Act, 1966, for the purpose of establishing industrial areas and encouraging establishment of industries in a planned manner, is performing the work of acquiring lands, for industrial use and other projects approved by competent Committees.

Under Section-14 of KIADB Act, 1966 and under Section-5 of Karnataka Industrial Areas Development Board Regulations 1966, the Board has power to acquire and hold such property, both movable and immovable including buildings, as it may deem necessary, for the performance of any of its activities and allot the property on lease or sale or lease-cum-sale basis to industries.

Government vide Order NO: CI 358 SPQ 2009 dated 13.05.2010 provided for the lease period of ten years for the purpose of execution of sale deed for all allotments including single unit complexes. Accordingly, the lease-cum-sale agreement was suitably amended

It has come to the notice of the Government that the units after executing sale deeds, were further selling the industrial plots for purposes other than industries as they possessed free hold rights of the property. This type of transactions has been leading to loss of industrial lands and the purpose for which the lands were being acquired was defeated.

The issue was discussed in the KIAD Board and a resolution was passed in the Board on 21.12.2013 to request the Government to permit allotment of land on 30 years lease basis instead of the existing procedure of lease-cum-sale basis.

Representations were received from industrialists and trade associations/ bodies against the 30 years lease period policy expressing the difficulties being faced in obtaining financial assistances from the financial institutions. It was also represented that 30 years lease period was too short for recovering large investments made by them in the industry.

In this context, the land allotment policy of neighbouring States such as Tamil Nadu, Maharashtra, Pondicherry and Gujarat were studied, where the system was functioning well with 99 years lease.

KIAD Board deliberated on the issue again in its Board meeting held on 22.05.2014 and resolved to request Government for permission to allot land on 99 years lease period.

After considering all the facts, examining the recommendations of KIADB, requests of industrialists / trade bodies and practices being followed in neighbouring States, the Government now proposes allotment of lands by KIADB on lease basis for a period of 99 years.

Hence the following order:-

GOVERNMENT ORDER No: CI 511 SPQ 2013, BANGALORE DATED 7TH AUGUST 2014

(೧೧೪೯)

- I. Government is pleased to approve the allotment of land by KIADB in their industrial areas including Single Unit Complexes and Housing Complexes on lease for a period of 99 years.
- II. The lease will also apply to such projects cleared by SHLCC/ SLSWCC/ DLSWCC and KIADB Allotment Committee prior to 23.08.2013, but where lease-cum-sale agreement has not been signed due to the following reasons:
- land acquisition is not completed
 - land is under litigation and court cases
 - layout plan has not been approved
 - tentative allotment rate of land has not been fixed
 - applications filed with partial initial deposit.
 - for any other valid reasons
- III. Further Government is also pleased to approve for inclusion of the following terms and conditions in the new lease deed to be executed by KIADB:

1	Consideration	100% premium payable within 180 days
2	Lease Rent	Lease Rent Rs. 1000/- per acre per annum together with maintenance charges to be notified from time to time by the KIADB
3	Lease Period	Lease for 99 years with a provision for cancellation of lease automatically in case the land is not utilized within a period of three years in case of MSME, large projects and five years for mega, ultra mega, super mega projects without obtaining valid extensions from the concerned investment approving committees.
4	Execution of lease agreement	Within 30 days after payment of 100% of consideration and before handing over the possession of the land.
5	Commencement of construction	Should commence the construction within 9 months after handing over the possession and complete the project by commencing production. (i) within a period of three years after handing over the possession, in case of MSME, large and (ii) five years for mega, ultra mega, super mega projects. (iii) Promoters to obtain extensions of time if there are valid reasons.
6	Penal Clause for grant of extension.	a) 2% of allotment cost as penalty for first extension. b) 5% of allotment cost as penalty for second extension. No further extensions.
7	Payment of local taxes	The allottee is required to pay future taxes, rates etc to the respective jurisdictional local authorities
8	Land Utilisation	Not less than 50% of the scheduled property.
9	Mortgage of lease hold rights	Provision to be made to grant permission in favour of Scheduled Commercial Banks / Financial Institution
10	Environment	Promoter to obtain environment clearance, CFE and CFO from the competent authorities wherever applicable.
11	Sub-Lease	Sub-lease of land and building is permitted, wherever the project requires such facility, subject to approval of the concerned investment approval committee and subject to payment of sub-lease rent to be notified by KIADB from time to time
12	Transfer of lease hold rights	The Lessor may, with the prior approval of the concerned investment approval committee, permit transfer of lease hold rights in favour of new entrepreneurs during the currency of the lease period subject to the condition that the lessee has implemented the project as per the terms and conditions stipulated in the lease document. Facility of transfer of lease hold rights is applicable only if the units have completed the implementation of the project and completed 10 years of operation. In such a case, the Lessee & the Lessor will share the differential cost of new allotment and old allotment equally
13	Determination of Lease and Resumption	It shall be open to the Lessor during the currency of the lease to take possession of the allotted plot together with factory and other buildings and fixtures located for any violation of any of the conditions of this deed or the terms and conditions of allotment. In such an event, the Lessee shall be entitled for a compensation of 50% of the original allotment cost and actual amount paid.

14	Proceedings by Banks and Financial Institutions for recovery of dues.	In case of default by the lessee in paying the dues to the financial institutions and they in turn decide to proceed against the lessee for recovery, the Lessor Board reserves the right to determine the lease.
15	Liquidation	In case, the Lessee goes into liquidation or winding up proceedings without implementing the project fully, the lease agreement shall stand terminated and the land will come back to the Lessor.
16	Providing Job Opportunities	Providing minimum one job for each family of land losers.
17	Jurisdictional Court	Only courts situated in the city of Bangalore / Gulbarga / Dharwad shall have the Jurisdiction.
18	Change in constitution	Permitted with the permission of the Lesser and subject to the applicant's holding minimum 51% interest.
19	Amalgamation	In case of amalgamation of company through due process of law, orders of high court, the successor company shall not liable to pay penalty.
20	Voluntary Surrender	Subject to levy of penalty @ 15% of the allotment cost per annum.
21	Floor Area Ratio	As per building regulations to be notified from time to time by H.A.D.B in accordance with guidelines of local Planning Authority

IV. Government further is pleased to continue allotment of 9.583 Sq.ft of developed land per acre in lieu of the compensation amount to be paid to the land owners whose lands have been acquired as per the Government Order No: CI 495 SPQ 2008, dated 13.05.2010.

V. Government further is pleased to approve the amendment of lease period to 99 years wherever 30 years lease period has been mentioned in the Government Orders pursuant to SHLCC / SLSWCC decisions and amend the lease documents accordingly.

VI. The allotment and lease automatically gets cancelled and the land gets resumed to Government if:

- the land is not utilized for the project for which it is allotted within a period of three years in case of MSME and Large projects.
- or
- the land is not utilized for the project for which it is allotted within a period of five years in case of mega, ultra mega, super mega.
- or
- the land is not utilized within a specified period approved by SLSWCC or SHLCC or DLSWCC.
- and
- extensions to implement the project are not taken from the concerned investment approving committees (DLSWCC / SLSWCC and SHLCC), prior to the above mentioned periods.

Note: The concerned investment approval committee, on application by the allottee may give extensions twice after careful examination of the request, depending on the requirement of the project based on the ground realities and genuineness of the requests.

This order issues with the concurrence of the Department of Law, Justice and Human Rights vide No: LAW 607 OPN 2013 dated 26.11.2013, and LAW 607 OPN 2013 dated 25.06.2014 and Finance Department vide No: FD 725 Exp./ 2014 dated 08.07.2014.

By Order and in the name of the Governor of Karnataka,

K. RATNA PRABHA,

Additional Chief Secretary to Government,
Commerce and Industries Department,

PR. 643

SC. 1000

ಹಿಂದುಳಿದ ವರ್ಗಗಳ ಕಲ್ಯಾಣ ಸಚಿವಾಲಯ

ವಿಷಯ: ಕರ್ನಾಟಕ ರಾಜ್ಯ ಹಿಂದುಳಿದ ವರ್ಗಗಳ ಆಯೋಗದಿಂದ ನವೆಂಬರ್/ಡಿಸೆಂಬರ್ ಮಾಹಿಗಳಲ್ಲಿ ಕೈಗೊಳ್ಳಲಾಗುವ ಸಾಮಾಜಿಕ ಮತ್ತು ಶೈಕ್ಷಣಿಕ ಸಮೀಕ್ಷೆಗೆ ಪ್ರಧಾನ ಸಮೀಕ್ಷಾಧಿಕಾರಿಗಳು ಹಾಗೂ ಹೆಚ್ಚುವರಿ ಪ್ರಧಾನ ಸಮೀಕ್ಷಾಧಿಕಾರಿಗಳನ್ನು ನೇಮಕ ಮಾಡುವ ಕುರಿತು.