

**KARNATAKA STATE SMALL INDUSTRIES  
DEVELOPMENT CORPORATION LTD  
BENGALURU**

**KSSIDC ALLOTMENT GUIDE LINES  
ON LEASE BASIS**

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**CHAPTER - 1**

**PREAMBLE:**

The Government of Karnataka has announced the Karnataka Industrial Policy 2014-19 vide G.O.No. CI 58 SPI 2013, Bengaluru dated 01.10.2014 for promoting manufacturing and selected service industries in the State. This policy and package of incentives and concessions shall come in to effect from 01.10.2014 and valid for a period of five years or till a new policy is announced. In this policy, under Infrastructure support, KSSIDC will be allotted land in KIADB industrial area, upon request for making industrial plots and sheds of smaller sizes for MSMEs sector. KSSIDC will also procure land on its own for developing industrial estates exclusively for micro, small and medium enterprises. **The area to be procured will not be less than 50 acres. 20% of allottable area will be reserved for sheds. Out of which 10% of the area will be earmarked for multi storied sheds (wherever feasible) considering the constraints in land procurement. Industrial plots/sheds/ flats/ other Buildings by KSSIDC henceforth shall be allotted to the project proponents only on 99 years lease basis.**

In view of this, in addition to existing KSSIDC ALLOTMENT RULES - 2004, new rules have been framed which are as under.

**1. SHORT TITLE, COMMENCEMENT AND APPLICATION:**

- 1.1 These Rules be called THE KARNATAKA STATE SMALL INDUSTRIES DEVELOPMENT CORPORATION LIMITED- ALLOTMENT GUIDE LINES ON LEASE BASIS (KSSIDC Allotment Guide Lines on lease basis ).
- 1.2 These Rules are applicable for Allotment of industrial Plots/ Sheds/ Flats/ Other Buildings under lease period of Ninety Nine (99) years or any other period as determined from time to time by KSSIDC and are deemed to have come in to force with effect from **1<sup>st</sup> October, 2014.**
- 1.3 These Rules are applicable to all the plots/Sheds/Flats/other land and Buildings held by the Company and un-allotted as on 01.10.2014 and Lands purchased or acquired for setting up Industrial Estates after that date or any other plots/sheds /Flats/other land & buildings surrendered by existing allottees or cancelled and taken back possession by the Corporation or seized by the Corporation from time to time or otherwise held by KSSIDC.

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**CHAPTER - 2**  
**DEFINITIONS**

- 2.1 **Allottee:** means an Individual / Partnership firm including Limited Liability Partnership firms/ HUF / Associations of persons or any other Department of Government, Body Corporate registered /incorporated by or under Law to whom plots /Sheds /Flats/other Buildings is allotted on lease basis for setting up Micro, Small and Medium Enterprises.
- 2.2 **Allotment Committee:** means the District Level Single Window Clearance Committee (DLSWCC), State Level Shed Allotment Committee (SLSAC), Stray Allotment Committee (SAC), and other Committees constituted by the Board of KSSIDC and the Government, will allot the plots/Sheds/Flats/other Buildings for Micro, Small and Medium Enterprises as per Karnataka Industrial Policy 2014-19 and modified from time to time.
- 2.3 **Allotment Rules:** means allotment rules formulated by the Board of KSSIDC and approved by the Government and amendments issued from time to time
- 2.4 **Allotted Property:** means any plot/sheds/flats/other buildings allotted on lease basis to applicants.
- 2.5 **Applicant:** means an Individual /Partnership firm including Limited Liability Partnership firms / HUF / Associations of persons or any other Department of Government, Body Corporate registered /incorporated by or under Law who has submitted application in the prescribed form seeking allotment of plots/Sheds/Flats/other Buildings on lease period of 99 years for setting up a Micro, Small or Medium Enterprises or other support services in the State.
- 2.6 **Board:** means the Board of Directors of Karnataka State Small Industries Development Corporation Limited.
- 2.7 **Corporation or Company or KSSIDC:** means Karnataka State Small Industries Development Corporation Limited and all its offices situated / to be established throughout State of Karnataka.
- 2.8 **Development charges:** means the "ALLOTMENT RATE" as may be fixed by the Corporation for various industrial estates from time to time and the "DEVELOPMENTAL CHARGES" means the cost of land being leased by the Corporation. In respect of Shed/Other Buildings apart from Development Charges for land area as may

be fixed from time to time and Cost of shed/Building as may be fixed from time to time. While arriving development charges for each estates the area considered for allotment in Rule 3.1(g) &(h) as well as area used for infrastructure will be excluded for determining the allottable area for the purpose of fixation development charge on allottable area for MSME for setting up Industries/ Service Centers/Shops. For this purpose allottable area means area of land available in the form of plots / vacant land / sheds / flats / other Buildings available for allotment to set up enterprises. The Board shall fix Development charges for different estates. While fixing the rates, the Board may fix different rates for different enterprises such Industrial / Service / Business / Commercial and different rates to Micro/Small/Medium enterprises. The rates shall be revised by Board from time to time.

- 2.9 **Economic Rent:** means the Economic Rent, fixed by the Corporation for Plots/sheds/Flats/other buildings in various industrial estates from time to time and payable on annual basis during the lease period.
- 2.10 **Enterprise:** means "Enterprises" as defined in MSMED Act 2006.
- 2.11 **Family:** means an applicant also is an individual, his or her spouse and children.
- 2.12 **Form:** means the Application Form appended to the rules.
- 2.13 **Shed:** means a structure built by KSSIDC in an Industrial Estate which can be used for purpose of housing an Enterprise there-in together with the land appurtenant there -to and includes a Flat, a Godown and a shop and includes stray shed also.
- 2.14 **Plot:** means a de-marketed piece of land within the Industrial Estate suitable for housing an Enterprise there on and includes stray plots.
- 2.15 **Flat:** means an apartment or a part of Multi storied Industrial Structure which can be used to house an industry or office therein.
- 2.16 **Godown:** means the structure constructed by KSSIDC meant for storage of goods excluding explosives and banned drugs.
- 2.17 **MS Complex:** means a Multi Storied Building constructed by KSSIDC for housing Industrial Units or Offices or other Buildings or Godowns.

- 2.18 **Shop:** means a structure within an M.S. Complexes or independently constructed as such which can be used for a commercial purpose and /or Business Establishment.
- 2.19 **Government:** means the Government of Karnataka.
- 2.20 **Industrial Estate:** means a definite area of land held/acquired / purchased by Corporation on which a conglomerate of Industrial plots/sheds/flats/ other Buildings along with required infrastructure formed by KSSIDC Limited and declared as Industrial Estate by Corporation by notification.
- 2.21 **Industrial Estate Property:** means Plots/ Sheds/ Flats/ Other Building developed or constructed with required infrastructure by Corporation and includes any vacant land/pocket lands in a Industrial Estate.
- 2.22 **MSME Registration Certificate:** means a EM – I or EM - II issued by the Department of Industries and Commerce, Government of Karnataka.
- 2.23 **Managing Director:** means the Managing Director of the Corporation.
- 2.24 **Micro Enterprises:** means “Micro Enterprise” as defined in MSMED Act 2006.
- 2.25 **Small Enterprises:** means “Small Enterprise” as defined in MSMED Act 2006.
- 2.26 **Medium Enterprises:** means “Medium Enterprises” as defined in MSMED Act 2006.
- 2.27 **Other Buildings:** means Shop/MS Complex/Godown/any other structures by whatever name built within the Industrial Estate of KSSIDC.
- 2.28 **Retention charges:** means the retention charges fixed by the Corporation from time to time to be levied while granting extension of time.
- 2.29 **Stray Plot:** means a plot once allotted and subsequently cancelled /resumed from the allottee or a plot surrendered by the allottee or Land reserved for Civic Amenities or any plot which is irregular in size and is in variance in size from other regular plots in an Industrial Estate therefore clearly indicated as stray in the lay out plan.

- 2.30 **Stray Shed:** means a shed once allotted and subsequently cancelled/ resumed from the allottee or a shed surrendered by the allottee or a shed in variance in size from the regular sheds constructed by KSSIDC.
- 2.31 **Water charges:** means the water charges fixed by the Corporation for various industrial estates from time to time.
- 2.32 **Service Charges:** means the service charges fixed by the Corporation for various industrial estates from time to time, payable by the allottee towards maintenance and sundry charges.
- 2.34 **Renewal of Lease:** means renewal of lease on 99 years basis.
- 2.35 **Year:** means "Financial Year".

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**CHAPTER - 3**

**NOTIFICATIONS AND ALLOTMENT PROCEDURES**

**3.1 NOTIFYING THE AVAILABILITY OF PLOTS / SHEDS / FLATS / OTHER BUILDINGS:** The sheds / plots / other Buildings available for allotment in the various Industrial Estates shall be notified as under:

- a) The availability of sheds / plots / other Buildings available for allotment under these rules in all the Industrial Estates shall be notified twice in every year once in the month of April and once in the month of October in two news papers of state having wide circulation out of which one shall be in Kannada and also on the Website of KSSIDC, or any other notification issued by the Corporation from time to time for disposal of the vacant sheds /plots/ Flats / other Buildings
- b) Copies of such notification shall be sent to state level Industries Associations and prominent regional District level Industries Associations.
- c) In addition, at the District level, the availability of plots/sheds/other Buildings available for allotment under these rules shall be notified every two months by way of sending such notification to all the local SSI Associations, District Industries Centre, all the branches concerned and the office of the Deputy Commissioner of the District concerned, against acknowledgement, for display in the respective Notice Boards. Besides, a copy of the notification shall also be sent to the local office of the Department of Information & Publicity of the Government of Karnataka for notification in two leading daily news papers of the District. The Website of KSSIDC shall also contain these notifications.
- d) All Notifications mentioned in (a) (b) & (c) will also include Stray Plots/Sheds to be allotted under lease basis.
- e) The vacancies and availability details of plots / sheds / Flats / Godowns / other buildings will also be uploaded in the Website of KSSIDC for information of general public.
- f) While issuing notification, the Corporation in accordance with para 5.6.1.5 of Karnataka Industrial Policy 2014-19, in respect of New Industrial Estates developed after 01.10.2014

20% of allotable area will be reserved for sheds, out of which 10% of the area will be earmarked for multistoried sheds wherever feasible near Bengaluru, Mysuru, Hubballi-Dharwada, Mangaluru, Belagavi, Tumakuru and Kalaburgi to provide Flats to be allotted to Micro Enterprises on lease or rental basis, based on demand.

- g) In accordance with para 5.11(viii) of the Karnataka Industrial Policy 2014-19 in the new Industrial Estates set up after 01.10.2014 wherever necessary, land area has to be reserved for Civic amenities sites for Hospital, Post Office, Banks, Fire Station, Police Station, Inland container depots (ICD), Container freight Station(CFS), Common facility center(CFC), etc., and the same will be allotted on lease basis on concessional/nominal charges.
- h) In accordance with para 5.11(ix) of the Karnataka Industrial Policy 2014-19 land identified for amenities like Canteens, Association Office, etc., and Common environmental protection measures such as CETP, Solid Waste Management, etc., in identified Industrial Estates will be allotted to respective Industries Association on lease basis at concessional/nominal rates for effective management.

3.1.1 Note: Notifications shall be published as at (a) (b) & (c) above in such a manner that, at least 30 days are available to intending applicants to respond. The notification shall also indicate correct sital built up measurements wherever applicable and developmental charges and other amounts payable by the applicants in the form of DD only for Plots/Sheds/Flats/Other Buildings. The last date by which the applications for allotment will have to be submitted together with all the particulars as required in the Application form along with Earnest Money Deposit in the form of Demand Draft as prescribed shall also indicated in the notification.

3.2 **APPLICATION FORM:** Applicant desirous of allotment of Plot/Shed/Flat/Other Building etc., shall apply in the prescribed form - A annexed which can be obtained from Corporation against payment of Rs.5000/- inclusive of VAT (non refundable). In addition they shall also pay scrutiny fee of Rs.500/- plus service taxes as applicable (non refundable). In respect of SC/ST applicants the cost of Form and scrutiny fee are Rs.2500/- inclusive of VAT (non refundable) and Rs.250/- plus service taxes as applicable (non refundable) respectively. Applicants desirous of applying for more than one Plot/Shed/Flat/other buildings shall apply separate application form with separate scrutiny fee. Applicants who download application form from Website shall also enclose separate Demand Draft towards cost of application

form and Scrutiny Fee as indicated. All the applicants shall file the following along with the application:

- a) In the case of individuals (including Partners of the Firm, Directors/Promoters of the Company shall submit the Copies of their Voter ID/Aadhar Card. They shall also submit PAN Number of individuals as well as firm/company.
- b) The copy of Partnership Deed in case of Partnership Firm or Memorandum and Articles of Association in case of LLP/Private Limited/Public Limited Companies along with certificate of the incorporation of the Company and the name of the promoters in case of Private Limited Company if readily available with the applicant otherwise the same shall be given before lease deed execution.
- c) Any other document as may be required by the Corporation.
- d) Earnest Money Deposit (equivalent to 10% of Development Charges) along with 25% of Developmental Charges in respect of each Plot/Shed/Flat/other Buildings applied, through separate DD's payable to "KSSIDC Limited" as per notification. However, where the applicant pays 100% developmental charges for allotment, a rebate of 2% in the allotment rate would be allowed as cash incentive. However, such payment does not give guarantee of allotment and allotment is subject to decision of the allotment committee.
- e) Along with the Application the applicant has to submit detailed project report of the project proposed along with document to support the same.
- f) In the case of allotment under reservation Rule 3.5 below a copy of the requisite certificate as indicated thereon.
- g) During Industrial Campaign conducted by the Corporation from time to time the applicants may be allowed to pay 25% development charges in the form of cheques (subject to realization). However, EMD and other charges will be accepted in the form of DD's only.

**3.2.1 CONCESSIONS TO SC/ST APPLICANTS:** The SC/ST applicants applying for Plots/Sheds/Flats/Other Buildings are require to pay concessional amount as under:

- a) Developmental charges at the rate of 10% instead of 25%.
- b) EMD at 5% instead of 10%.

**3.3 AUTHORITIES OF ALLOTMENT:** The Plots/Sheds/Flats/ Other Buildings notified from time to time shall be allotted by District Level Single Window Clearance Committee (DLSWCC) State Level Shed Allotment Committee (SLSAC), Stray Allotment Committee (SAC), and other Committees constituted by the Board of KSSIDC and the Government, will allot the plots/Sheds/Flats/other Buildings for Micro, Small and Medium Enterprises as per Karnataka Industrial Policy 2014-19 and modified from time to time.

**3.4 PROCEDURE FOR ALLOTMENT:** The Plots/Sheds/Flats/Other Buildings in the various Industrial Estates shall be scrutinized by the jurisdictional Assistant General Manager (IEs)/Deputy General Manager of KSSIDC and submit all the applications received along with necessary remarks as per these rules and other guidelines prescribed by Corporation from time to time and submit all the applications to the respective Allotment Committee for their decision. After the decisions are taken by the Allotment Committee, allotment letters for successful applicants shall be issued by the AGM / DGM with the prior approval of the Competent Authority in the Corporation.

**3.5 RESERVATIONS TO APPLICANTS IN ALLOTMENT:** The Corporation in accordance with the Board Resolution provides the following reservation:

1. Scheduled Caste	16.25%
2. Scheduled Tribe	6.50%
3. Minority	15.00%
4. Women Entrepreneurs	30.00%
5. Nomadic Tribes	2.00%

#### **3.5.1 NOTES:**

i) For entitlement of Allotment on reservation basis and any other concessions/ subsidy available to certain categories as indicated separately, required documents will be submitted along with application form. In case of failure, entitlement as indicated above will not be considered.

ii) The transfer of Plot/Shed/Flat/Other Buildings allotted from concessional category to general or other category entrepreneur shall be permitted only after five years in the case of plot and eight years in the case of Shed/Flat/Other Buildings from the date of commencement of commercial production. Otherwise concession shall be recovered along with interest and transfer premium / transfer fee as applicable shall also be charged as per rules.

iii) The applicant / allottee will be entitled for one category of reservation/concession only.

iv) The concession/reservation will also be allowed in partnership firm including LLP/Private Limited companies where the category of partners/ promoters are same and entire share/ share holding remains with the partners / promoters up to a period of five years/ eight years as indicated in (ii) above after the commencement of commercial production. In case of any change is made earlier than 5 years/8 years as mentioned above then the concession / subsidy allowed earlier will be withdrawn and recovered and applicable transfer premium / transfer fee shall also be charged as per rules.

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**CHAPTER - 4  
TERMS AND CONDITIONS OF ALLOTMENT  
AND PAYMENTS OF OTHER AMOUNTS**

**4.1 TERMS AND PAYMENT OF DEVELOPMENT CHARGES:**

- a) The applicant/allottee shall pay the developmental charges in the following manner:
  - i) 25%/10% as applicable developmental charges along with application.
  - ii) Balance 75%/90% of developmental charges within 60/90 days from date of allotment without interest.

4.2 The Officers may extend the above period of beyond 60 /90 days and allow the payment of balance 75%/90% of developmental charges with interest in three monthly installments at the prescribed rate of interest as applicable from time to time as per the delegation of powers vested with them by the Board.

4.3 Failure to pay the balance developmental charges within the time allowed or extended time will entail the Corporation to cancel the allotment made and forfeit the EMD amount already paid.

**4.4 ADDITIONAL CHARGES FOR CORNER PLOTS/SHED:**

- (i). If a corner/main road plot/shed is allotted, additional 10%/5% on the rate of development charges shall be charged for corner plot/shed, coming under Zone IV / III respectively.
- (ii) The Board of KSSIDC may also waive this corner / main road charges depending upon the potentiality of the Estate in all categories.
- (iii) Subsidy to the allottees of SC/ST categories, shall be allowed on the total development charges of the plot/shed including corner charges.

**4.5 PERIOD OF LEASE AND ECONOMIC RENT:**

The lease will be granted for a period of ninety nine years subject to payment of annual economic rent that may be prescribed by

the possession date and obligations and liabilities under lease agreement shall be deemed to have commenced from that date. The economic rent in the year of allotment shall be paid within 60 days from the allotment date for current year. For subsequent years economic rent shall become due on 1<sup>st</sup> April of the year and be paid in advance by 31<sup>st</sup> July of every year. Interest on outstanding economic rent if any, shall be recovered from the due date as per rules.

#### **4.6 POSSESSION**

- ( i ) After making payment of balance development charges, and other amounts as per terms and conditions of allotment, physical possession of the allotted plot/shed/flat/other buildings shall be taken by the allottee within 30 days from the date stipulated for payment of balance 75%/90% development charges as mentioned in allotment letter or the actual date of payment whichever is later.
- (ii) In case of industrial/commercial plots/shed/flat/other buildings, if payment of development charges is allowed in three installments, the plot possession shall be taken by the allottee within 30 days from the payment of last installment.
- (iii) It shall be necessary that the allottee will take physical possession of the plot/shed/flat/other building and possession certificate as may be prescribed by KSSIDC shall be signed by the allottee as well as authorized officer of the Corporation within the above specified or the extended time period. For this, intimation by a registered A.D. post or by a courier will be sent to the allottee, to the effect that allotment will be cancelled if the allottee does not turn up for taking physical possession of the allotted plot/shed/flat/other building within the specified time period as per the delegation of powers vested by the Board to the Officers of KSSIDC.

#### **4.7 EXECUTION OF LEASE AGREEMENT:**

At the time of taking possession the allottee shall execute lease agreement as per format issued by KSSIDC on non-judicial stamp paper of requisite value. The deed shall be registered with jurisdictional sub registrar office and required stamp duty, registration charges etc shall be incurred by the allottee only.

The original lease deed where full development charges, current year economic rent, power line charges as per rules mentioned herein have been paid may be allowed for mortgaging the lease hold rights to financial institutions or banks as per the delegation of powers vested by the Board to the Officers of KSSIDC.

#### **4.8 POLICY FOR COLLECTION / REFUND OF EXCESS / SHORT AMOUNTS PAID ON ACCOUNT OF EXCESS / SHORT AREA FOR ALL TYPES OF ALLOTMENTS:**

In cases where the sital area or built up area is found to be less than the area as per letter of allotment as confirmed by physical possession then the excess deposited amount by the allottee due to short area will be refunded to the allottee by Corporation along with interest as under:

(i)	If amount remains with the Corporation for a period less than one year	@ 5.5 % per annum
(ii)	If amount remains with the Corporation for a period of one year and above	@ 6.0 % per annum

Similarly, in case of excess area the shortfall in amounts payable shall be recovered with interest at 6% PA from the date of application till the date of payment from the allottee concerned.

If the allottee refuses the offer of allotment as issued by the Corporation and if the same is not acceptable to the allottee, full amount will be refunded without any interest. However, this communication should reach the Corporation within 30 days from the date of allotment letter.

#### **4.9 PAYMENT OF WATER AND POWER LINE CHARGES:**

##### **4.9.1 WATER CHARGES:**

Where water is provided by the Corporation the charges as per bills raised by the Corporation Authorities shall be paid by the allottee regularly. Any delay in payment of water charges after the due date will be recovered with interest at the rates prescribed from time to time. Before taking possession of allotted property the allottee shall also pay water deposit (refundable or adjustable) as informed by Corporation.

##### **4.9.2 POWER LINE CHARGES:**

Wherever the Corporation provide power lines and set up transformers in the Industrial Estate with the assistance of ESCOMS, before taking possession of the allotted property the allottee shall pay the power line charges as per amounts indicated in the allotment letter fixed for that estate on HP (Horse Power) basis of power to be used subject to minimum amount prescribed. The charges will be recovered based on the details of power requirement given in the application/project report submitted along with application. Any delay in payment of power line charges will also entail the Corporation to levy interest from the due date indicated in the

allotment till the date of payment. In case power lines are provided after the possession an intimation to pay the power line cost will be sent and the allottee shall pay the same within 60 days from the date of intimation, failing which the amount will be recovered along with interest as applicable.

In case if any allottee opts for H T Line connection, the allottee shall be allowed to take HT connection through self execution. However, such allottee shall pay Rs. 2000/- per connection.

**4.9.2.1** The cost of service lines from the power line to the premises of allottee's property shall be borne by the allottee.

**4.9.2.2** Where sub-division of allotted property has been allowed by the Corporation and a separate connection is desired the complete cost of electric connection would be borne by the applicant/allottee. This condition shall also to be incorporated in the permission given for sub-division.

#### **4.9.3 RATES, TAXES, CHARGES, CLAIMS:**

During the lease period the allottees of allotted property shall pay all kinds of rents, taxes, cess and other charges statutorily required to be paid to City Corporations/ Municipalities/ Councils/ Committees/ Panchayaths/ Local or Civil Bodies. These amounts levied including any building constructed by the allottee (lessee) also. These payments as per statutory requirement shall be paid by them directly to the Authorities concerned and intimation to that effect shall be given on annual basis to Corporation as per form prescribed by the Corporation.

#### **4.9.4 SERVICE CHARGES:**

The annual Service charges as imposed by the Corporation at the time of allotment or there after shall be paid by the allottee in addition to Economic rent. Service charges as demanded by the Corporation shall be paid within 60 days from the date of allotment for Current year. For the subsequent years, it shall become due on 1<sup>st</sup> April of each year and paid in advance by 31<sup>st</sup> July of every year.

6. The Corporation reserves the right to revise the rate of service charges from time to time and the decision of the Corporation shall be final and binding on the allottee.

7. On failure to pay the service charges within stipulated period i.e. within 60 days from the date of allotment in case of the new allotments and by 31<sup>st</sup> July of the financial year in case of old allotments, then the due amount of the service charges will be

recovered with interest from the due date i.e., from the date of allotment in case of new allotments and from 1<sup>st</sup> April in case of old allotments.

#### 4.9.5 SERVICE TAXES:

The allottees of Industrial Estate Property (Lessee) shall pay Service Taxes as demanded by the Corporation in accordance with relevant Acts and Rules as when raised by way of demand note / Bill etc., from time to time in addition to the payment of Developmental Charges, Rent, Service Charges, and Water Charges, Power line charges. These charges will have to be paid within the due dates given while raising the demand. Any delay in payment of Service Tax will attract interest at prescribed rates and the same shall be recovered from the allottee

#### 4.9.6 SUBSIDY TO SC/ST ALLOTTEES:

As per Karnataka Industrial Policy 2014-19, in respect of allotted property by KSSIDC, Corporation has to provide subsidy (concession) to Enterprises set up by SC/ST Entrepreneurs. For this purpose, Industrial Estates coming under specific taluks as categorised by Government in its policy is adopted "Mutatis, Mutandis". The Corporation will provide subsidies mentioned as under:

Category of Industrial Estate set up under talukas indicated below	Amount of subsidy extended by KSSIDC
In respect of SC/ST allottees of Industrial Estates coming under Other Than Hyderabad Karnataka (OTHK) Zone-1&2	40% of gross development charges subject to maximum of Rs.15.00 lakhs.
In respect of SC/ST allottees of Industrial Estates coming under Other Than Hyderabad Karnataka (OTHK) Zone-3	30% of gross development charges subject to maximum of Rs.25.00 lakhs.
In respect of SC/ST allottees of Industrial Estates coming under Other Than Hyderabad Karnataka (OTHK) Zone-4	25% of gross development charges subject to maximum of Rs.35.00 lakhs.
In respect of SC/ST allottees of Industrial Estates coming under Hyderabad Karnataka (HK) Zone-1	40% of gross development charges subject to maximum of Rs.25.00 lakhs.
In respect of SC/ST allottees of Industrial Estates coming under Hyderabad Karnataka (HK) Zone-2	40% of gross development charges subject to maximum of Rs.20.00 lakhs.

These concessions are in addition to the investment promotion subsidy provided by Government of Karnataka as per Karnataka Industrial Policy 2014-19.

Extension of subsidy to SC/ST shall be subject to reimbursement from the Social Welfare Department, Government of Karnataka.

#### **4.9.7 CONSTRUCTION OF BUILDING AND COMMENCEMENT OF COMMERCIAL PRODUCTION BY ALLOTTEES OF PLOTS / LANDS:**

All the allottees of plots including stray plots and other lands given on lease after taking possession of the plot/land allotted shall obtain the approval of the building plan from the Competent Authority concerned and start construction, complete the same, obtain proper occupancy certificate and commence commercial production / business within 3 years in other than Hyderabad Karnataka Zone and five years in Hyderabad Karnataka Zone, from the date of possession. Further the allottees shall also make minimum fixed investment within 3 from the date of possession. On starting the commercial production / business the lessee shall inform the Corporation along with necessary supporting documents as may be prescribed by Corporation from time to time.

In this schedule time the allottee shall take necessary action as follows:

- |  |          |
|--|----------|
| 1. Plan approval :                         | 6 Months |
| 2. Fund Mobilization:                      | 1 Year   |
| 3. Construction of Building:               | 2 Years  |
| 4. Procurement & Installation of machinery | 3 years  |

Additional 2 years shall be given to allottees other than Zone III and Zone IV, to implement the project and to start the production.

#### **4.9.8 COMMENCEMENT OF COMMERCIAL PRODUCTION/ BUSINESS ACTIVITIES BY ALLOTTEE OF SHED/FLAT/OTHER BUILDINGS:**

- i) The allottees(Lessee) of Sheds/Flats/other buildings allotted for Industrial purpose shall install necessary machineries and equipments and commence their Commercial Production Activities within one year from the date of possession of the premises allotted.
- ii) In respect of allottees of (Lessee) of Sheds/Flats/Other Buildings allotted for purpose of service or other commercial / business activities shall take necessary action in commencing such business within a period of 1 year from the date of taking possession of the premises.
- iii) The Allottees (lessees) mentioned (i) & (ii) above shall intimate such commencement along with necessary supporting documents as may be prescribed by the Corporation from time to time.

**4.9.9 EXTENTION OF TIME:**

- (i) On the request of allottee of plot/Land (Lessee) time extension for a further maximum period of 2 years for commencing the activities may be granted subject to payment of retention charges and fulfillment of other conditions as fixed from time to time by the Managing Director of the Corporation. These charges and conditions are fixed by the Corporation for different Industrial Estates from time to time and also enhanced from time to time. The allottee shall make suitable request for such extension before completion of 3 years from the date of taking possession.
- (ii) The allottees mentioned in 4.9.8 (i) & (ii) above on failure to commence production/ business shall apply for extension of time which may be granted for maximum period of one year in the case of Industrial Activities and 6 months in the case of other activities subject to payment of retention charges and fulfillment of other conditions as fixed from time to time by the Competent Authority of the Corporation.

**4.9.10 Annual Maintenance of the allotted Shed/Flat/other Building and obtain Insurance Policy as the replaceable value of Shed/Flat/ other Building:**

The allottees of Sheds/Flats/other Buildings (Leasees) shall be responsible for to maintain the property in good condition and incur annual maintenance expense. Further the lessee shall also obtain insurance policy from a reputed general insurance company in the replacement value of the property at their cost. In the cases where the allottee does not maintain the allotted property in good condition or does not obtain/renew insurance policy then the Corporation shall undertake such maintenance and obtain/renew policies and recover the same from the allottee (leasee). Further in a estate where the Corporation obtain group insurance policy from general insurance company then proportionate charges shall be collected / recovered from allottees concerned.

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**CHAPTER - 5  
OTHER TERMS AND CONDITIONS OF ALLOTMENT**

**5.1 UN-UTILIZED PLOT/SHED/FLAT/OTHER BUILDINGS ALLOTTED:**

Un-utilized land of the allotted plots/sheds/flats/other buildings shall revert back to the Corporation on expiry of the prescribed / extended period. Such un-utilization identified by the Corporation deemed to have come into possession of KSSIDC on giving a 90 days notice to the allottee and also to the Financial Institution, if the property is mortgaged to such Institution. The development charges not exceeding 80% paid by the allottee for such unutilized property shall be refunded as per procedures laid down by the Corporation from time to time. However, the EMD paid by allottees of such unutilized property would be forfeited. The allottee shall utilise the allotted premises for productive purpose at least to an extent of 50% of the allotted area.

Explanation: The unutilized property would be determined by the Corporation. Regarding the area of unutilized property, the decision of the Managing Director would be final.

**5.2 MERGER OF ALLOTTED PLOTS:**

The merger of plots may be allowed without any premium/charges, wherein the allottee/ proprietor/partners, in case of partnership firm/promoter directors in case of Companies of the merging land/plots or either same or are in immediate blood relation or having measure and controlling shares in both the merging plots/units.

**5.3 TRANSFER OF PLOT/SHED/FLAT/OTHER BUILDINGS AND CHANGES IN CONSTITUTION:**

**5.3.1 Transfer Defined:**

For the purpose of this provision transfer of allotted property (transfer of leasehold rights) will mean transfer of allotted property by way of lease, assignment etc. including merger, acquisition and amalgamation of the Companies. It will include transfer of allotted property by an individual/firm/company or any other allottee/lessee as the case may be.

**5.3.2 Notes:**

- (i) The transferee will have the status of an allottee / lessee of the Corporation and all the relevant rules and regulations of the

Corporation will apply to the transferee 'Mutatis-Mutandis'. The transferee will be holding the allotted property for the remaining lease period available in balance with the transferor of the allotted property.

(ii) Lease period of 99 years will be computed from the date of original allotment in these transfer cases.

### **5.3.3 Transfer of interest in firm:**

If at any stage holding/owner-ship interest of the proprietor/promoter partners who were there at the time of allotted property as the case may be goes down 51% in the firm the same will be treated as transfer of allotted property for the purpose of these rules and transfer premium / transfer fee will be as prescribed will be charged.

### **5.3.4 Transfer of interest in Company:**

In case of LLPs/Private Limited/Public Limited Companies transfer of allotted property will be so treated if the allotted property is transferred to a new Company/firm. But when only shares of the Company are transferred or Directors of the Company are changed and the allotted property remains in the name of the same Company it will not be treated as transfer of allotted property.

### **5.3.5 Transfer of interest in the case transfer on account of charge on lease hold property:**

In cases where the allotted property for which lease hold rights are mortgaged and the allottee availed financial assistance from the financial institutions or from the banks and there after on account of defaultness the financial institutions/banks / DRT / competent Courts under the relevant acts auction the assets taken over including the lease hold rights. In such cases the person who has taken over such assets will be treated as transferee allottee and in all such cases the provision of these rules are applicable to such allottees.

### **5.3.6 Transfer fee:**

(i) Transfer fee for the allotted property used for Industrial / Service/ Business purpose wherein the transfer of allotted property is taking place after commencement of production/business will be as under:

<b>Category of Industrial Estate set up under taluks indicated below</b>	<b>Rate of Transfer Fee</b>
OTHK Zone -1	1% of Industrial rate of allotment prevailing at the time of transfer.
OTHK Zone - 2	1.5% of Industrial rate of allotment prevailing at the time of transfer.

OTHK Zone - 3	1.75% of Industrial rate of allotment prevailing at the time of transfer.
OTHK Zone - 4	2% of Industrial rate of allotment prevailing at the time of transfer.
HK Zone - 1	0.5% of Industrial rate of allotment prevailing at the time of transfer.
HK Zone - 2	1% of Industrial rate of allotment prevailing at the time of transfer.

(ii) In case of transfer of vacant allotted property the chargeable transfer fee will be at 5% of the prevailing rate of allotment. In respect of vacant allotted property allotted for commercial purpose the said transfer fee should be twice the transfer fee mentioned above.

(iii) In cases where transfer by a defaulter allottee, the chargeable transfer fee shall be 15% of the prevailing rate of allotment.

### 5.3.7 Exemptions:

The following cases will be exempt from payment of transfer fee:

- If transfer of allotted property or interest / holding in the firm is in favour of the family members.
- If the transfer of allotted property is being affected in pursuance of rehabilitation scheme approved by competent Tribunal / Courts.
- If the allotted property is transferred to a new firm wherein the transferor proprietor/partner/partners and/or their family holding 51% or more share in the new transferee firm.
- If an allottee proprietorship firm/partnership firm wants to carry out the business in changed name and/or style (converting into proprietorship firm/partnership firm/Company as the case may be) provided the original proprietor/partners and/or their family hold major share holding in the new set-up.
- If an allottee Private limited/public limited company continues to carry out the business in its name irrespective of making changes in their board of director or carry out the business in the name of the company permitted by re-placing the name of existing company.
- If the transfer of the allotted property from one company to another company is being affected on account of the situation that the two companies (allottee/lessee company and transferee company) are getting amalgamated under the relevant law and in both these companies there are common directors having minimum 75% share holding in each of the amalgamating company.

**5.3.8 Explanation and Notes:**

- a) Existing partners/promoters means partners /promoters existing at the time of possession of the property.
- b) Transfer of the property under the rule will be subject to the condition that the Corporation will not be responsible to provide any additional infrastructure facilities viz. road, water, power, drainage, street lights etc. It will be the exclusive responsibility of the transferor/transferee to arrange the required infrastructure facilities at their own level and cost. An undertaking to this effect shall be taken from the transferor/transferee at the time of issuing permissions for transfer under the rule.
- c) Transfer of property under these rules will be permitted for the same purpose for which the property had been allotted.
- d) Computation of transfer premium would be done as per the rate prevailing on the date of payment made by the allottee.
- e) Transfer of allotted property by allottees of reserved categories to the same category as defined in rule 3.5 or transfer of allotted property after five/eight years from the date of commencement of commercial production to general category shall be allowed (under rule 5.3 above). In case where the transfer from SC/ST category allottee to General Category then the subsidy earlier allowed will be recovered with interest from the date of allotment to the date of payment. The period of possession remained with financial institution or where the unit remains closed after production shall be treated in the 5/8 years period. However, provision of rule 5.3 shall also be observed in such cases.
- f) The transferor of the allotted property would submit No Objection Certificate from the secured charge holders to whom the lease hold rights has been mortgaged. A specific condition shall be laid down in the letter of transfer that, KSSIDC shall not be liable for any dues of Government Departments/ Organizations/Companies or Financial Institutions.
- g) Entrepreneurs belonging to Ex-serviceman and War Widows category may be allowed to take family members in partnership provided the allottee eligible for concession holds major share in partnership (minimum 51%) both in capital and distribution of profits.
- h) The allottees seeking /informing changes in the constitution of firms/companies or transfer of allotted property shall submit the letter along with registered documents, related to the changes/transfer.
- i) In case of change in constitution of firm/transfer, stamp duty if payable under the stamp laws in Karnataka the same will be borne by the allottee concerned.

### **5.3.9 Exchange of Allotted Property:**

#### **i) Mutual exchange of allotted property:**

Exchange of allotted property of same size among allottees in the same industrial estate can be allowed without charging any premium.

#### **ii) Exchange of allotted property with vacant property in the Industrial Estate with a view to resolve the dispute:**

- a) In case of property allotted through normal procedure and the property allottee is not in position to commence activities due to land dispute, then equivalent size vacant property may be allotted on original allotment rate (development charges) in the same area and if no such property is available in the said industrial estate, then the allottee may be given an option to take a property in other industrial estate.
- b) In this policy, only those allotted property will be considered under dispute wherein competent court has granted stay or there is trespass of religious nature due to which the allottee is not able to carry out the activities in the allotted property.
- c) The cut off date for seeking the relief will be two years from the date of execution of lease deed or the date of allotted property possession taken, whichever be earlier. In case of delay, only deposited money will be refunded considering the property allotment as cancelled or surrendered.
- d) In case area of the offered property in the same estate is more than the area of property allotted earlier then development charges of land for the excess area will be levied at the prevailing rate in the estate. However, in case of deficit, in the area of offered property, excess development charges paid for will be returned at the original rate of allotment along with interest as per the Corporation policy.
- e) In case the development charges of the property offered in exchange in other estate is more than the rate of allotment of original property then the allottee will pay the difference for such property, however, in case the development charges is less, then the Corporation would refund the excess amount held by Corporation at the original rate of allotment along with interest as per the policy.

### **5.3.10 Surrender/Cancellation of property allotted :**

In case the Corporation cancels allotted property allotted or if any allottee or a lessee intends to surrender the allotted property or part thereof for any reason, the Corporation may accept it on the condition as it may deem fit. In such cases of surrender/ cancellation the amount of development charges recovered from the party will be refunded after dealing the case in the following manner:

- (i) The AGM & AEE of Corporation in case of allotments of surrender/cancellation is in respect shed/Flat/other Building owned by Corporation and allotted on lease basis, shall visit the premises and examine whether any repairs are needed for the same and inform the allottee to deposit such cost of repairs .
- (ii) Outstanding Service charges, economic rent, service tax and other dues of Corporation and interest on unpaid service charges and economic rent, service tax over dues till the date of surrender/cancellation of plots will be deducted from the refundable amount. The dues shall also includes estimated cost of repairs indicated in (i) above.
- (iii) EMD/ amount will stand forfeited.
- (iii) Deduction of development charges irrespective of date of property allotment will be made as under:

a) Consequent upon surrender of the allotted property:

Category of Industrial Estate	Period of surrender	% age of Deduction of Development charges
OTHK Zone - 1/2/3/4	In case surrender is made one year of allotment	5% of Gross Development Charges of allotted property.
	In case surrender is made after one year of allotment	10% of Gross Development Charges of allotted property.
HK Zone -1/2	In case surrender is made one year of allotment	2% of Gross Development Charges of allotted property.
	In case surrender is made after one year of allotment	5% of Gross Development Charges of allotted property.

b) Consequent upon cancellation of the allotted property:

Category of Industrial Estate	% age of Deduction of Development charges
OTHK Zone -1/2/3/4	20% of Gross Development Charges of allotted property.
HK Zone -1/2	10% of Gross Development Charges of allotted property.

- (iv) The interest received will not be refunded and outstanding interest till the date of allotted property surrender or cancellation will be recovered and deducted from refundable amount of development charges.
- (v) Despatch of the crossed account payee cheque of refund of

amount sent by registered A.D. post should be considered as refund of the amount under these rules irrespective of non-encashment or returning of the cheque by the concerned party to the Corporation. The money shall be refunded only after the possession of the land is handed over by the party or possession is taken as per orders of the competent court/authority or deemed possession of the vacant plot.

**5.3.11 No Refund of cost of structures made by the lessee after Cancellation /surrender of allotted property:**

The Corporation will neither demand from new allottee the cost of structures built up and left by old allottee due to surrender/cancellation of allotted plot, nor will undertake the payment of construction of such structures to old allottee. However, old allottee may consider to take away goods left by them as per clause of lease-deed.

**5.3.12 Surrendering Deed :** Where lease has been executed, the lessee shall execute formal surrender deed at his cost in favour of the Corporation.

**5.4 Permission to changes in use of allotted property:**

**5.4.1 Permission to use an allotted property for other than industrial purposes:**

- i) The allottee of an industrial property will be permitted to use his property for other than industrial purposes without payment of any additional charges. However, the above captive use of the allotted property for the said purpose will be allowed maximum 50% of the allotted property area.
- ii) In case the entire industrial property is being used for other than industrial purposes, without any industrial activity or it is not covered under the category of captive use as defined as above at (i), such activity shall be classified / treated as commercial purpose and therefore, the charges shall be applicable as mentioned hereunder. However, said charges will be leviable on the build up space actually being used for warehousing purposes and not for the entire plot area.
- iii) Charges for permitted use of an industrial property for other than industrial purposes will be as under:

a) For new applicants:

one time of the prevailing rate of allotment of the industrial estate concerned on the basis of built up space actually being used for other than industrial purposes.

- b) For regularization of existing other than industrial activity in industrial property:

1.25 times the prevailing rate of allotment of the industrial estate concerned on the basis of built up space actually being used for other than industrial purposes.

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**CHAPTER - 6  
STRIP OF LAND**

**6.1 Definition of "Strip of Land"**

- (i) A "strip of land" shall mean a piece of land adjoining one or more existing plots which can not be put to independent use either because it cannot be planned as an independent plot in conformity with the town planning norms or because there can be no approach to such piece of land, or marginal land or valley land or undeveloped land or undeveloped land or measurement difference or boundary corrections or due to any other reasons.
- (ii) Any land in possession of an allottee which is in excess of the land actually allotted by the Corporation shall also be deemed to be a strip of land.

**6.2 Conditions and modes of disposal of 'strips of land':**

6.2.1 All allotments of strip of land shall be made only for the purpose for which the original plot of the allottee was allotted or has been allowed to be used.

6.2.2 **RATE OF ALLOTMENT / REGULARISATION.** Where any strip of land is so located that it can be used by the lessee of only one adjoining plot, such strip of land shall be disposed of by allotment to such lessee of the adjoining plot. In such cases the allotment of the strip of land shall be made at the following rates:

For industrial or Service purpose	Twice the prevailing development charges.
For Business / commercial purpose	Four times the prevailing development charges.

6.2.3 Where any strip of land is so located that it can be used by the lessee of more than one adjoining plots, such strip of land shall be disposed of by a limited auction between the owners of all the adjoining plots. On auction, the strip of land shall not be disposed of at a rate less than the rates mentioned in para No. 6.2.2 above. However, if in any such auction the owner of only one adjoining plot shows interest in the land, the strip of land shall be allotted to him at the rates mentioned in para No. 6.2.2 above.

6.2.4 Before disposing of any strip of land, the building line shall be marked which shall be maintained.

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**CHAPTER - 7**

**SUB - LETTING & SUB-LEASING:**

- 7.1 SUB-LETTING:** The lessee of the allotted plot/land may be allowed to sub-let the property allotted and constructed premises for the original purpose for which the plot was allotted by the Corporation only for any period, provided that the allottee has cleared the entire outstanding dues of the Corporation. However, the allottee shall inform KSSIDC through Registered AD letter/ Speed Post before sub-letting the plot/ constructed premises and obtain their approval.
- 7.2 Permission for renting out part of building by allottee:** Plot allottee may be permitted for sub-letting the plot or constructed building for (i) Bank/Post office, (ii) Telephone exchange, (iii) ESI Dispensary, (iv) Skill Development Centre and supportive facilities with the prior approval of the Corporation.
- 7.3 Premium for permitting sub-letting** shall be charged @ 10% of prevailing rate of development charges of the area or one month rent agreed between lessee and tenant, whichever is higher, for every year.
- 7.4 SUB LEASING:** The allottee may be allowed to sub-lease the allotted property or part thereof on such terms and conditions as may be mutually agreed upon between lessee and sub-lessee, irrespective of stipulation made for not allowing subleasing at the time of allotment. However, the sub-leasing will be governed by the following conditions:
- (i) The lessee can make sub-lease only after taking prior permission of KSSIDC.
  - (ii) Every sub-lease will be treated as transfer and fees / premium prescribed for transfer of allotted property will be chargeable from lessee or sub-lessee, as the case may be.
  - (iii) In case where plot or part of the allotted property is not being sub-leased but only built up area of constructed by allottee (space) is being sub leased, a sub-lease fees equivalent to transfer fees will be charged for the built up area sub-leased.
  - (iv) Sub-lease will be permissible only for the purpose for which the property was allotted or converted.
  - (v) Sub-lease period will not exceed the remaining period of the lease originally granted to the plot allottee.
  - (vi) Terms and conditions applicable to the lessee will also mutatis-mutandis apply to all sub-lessees unless otherwise specified.
  - (vii) The lessee (allottee) and sub-lessee, both will be responsible

for payment of various dues to KSSIDC. KSSIDC will be free to recover it from either party.

- (vii) KSSIDC will not be responsible for providing any extra infrastructure support or services to sub-lessee.
- (viii) The building parameters available to the plot will not be relaxed in any manner. Where original plot is sub-divided and sub-leased, the parameters for original plot and sub-divided plot will be re-determined by KSSIDC, which may be less than what were available to the undivided plot.
- (ix) No extra ground coverage, height or FAR will be permissible on account of sub-leasing.
- (x) Rights and liabilities between the lessee (allottee) and sub-lessee will be determined amongst themselves and these will not be binding on KSSIDC in any manner. Such mutual rights and liabilities will have to conform to the rules and regulations of KSSIDC.
- (xii) KSSIDC will not be answerable to any disputes arising between lessee and sub-lessee.
- (xiii) In case the lessee has obtained any Financial Assistance from Financial Institutions / Banks by mortgaging the lease hold rights then NOC from such Financial Institutions / Banks needs to be obtained before permission is sought from the Corporation.
- (xiv) Any other conditions which may be prescribed by the Corporation.

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**CHAPTER - 8**

**8.1 CANCELLATION.**

The Corporation shall have the right to cancel the allotted property allotment after issuing a 30 days registered AD show cause notice to the allottee by the concerned AGM for breach of any of these rules, condition of allotment letter or terms of lease agreement. The powers of issue of notice for cancellation shall vest with the Officers concerned as per delegation of powers already in force as per the Board decision. of the Division. A copy of such notice will also be sent by RPAD to Bank/Financial Institutions where the allottee ( Lessee ) obtained financial assistance.

In show cause notice the allottee would be asked to show cause why the allotment should not be cancelled, lease deed of the allotted property should not be terminated and property should not be taken in possession, in view of the default committed by the allottee. In the notice it would also be clarified that, the said default shall be condoned only on payment of interest/retention charges or removal of breach of terms and conditions / its regularization. In case of no response or reply to the show cause notice without commitment for deposition of dues, for regularization of delay / default or removal of breach of terms and conditions by the allottee, allotment of allotted property should be cancelled terminating the lease-deed of plot. In cancellation letter party shall be asked to hand over possession of land within 7 days and take refundable amount from KSSIDC and it shall also be intimated that, in case of failure to hand over the possession in time, the allotted property shall be deemed to have been taken into possession treating the allottee as unauthorized occupant of the allotted property. Intimation will also be sent to Bank / Financial Institution. In cases of non-vacant property, action will be taken to resume possession of the property back to the custody of the Corporation as per provisions of KPP Act. After taking possession of non-vacant property on orders of competent authority or deemed possession of vacant plot or possession being handed over by the party, cheque of refundable amount shall be sent to the party. Original receipt shall not be demanded from the party. However, if the ex-allottee dues after adjustments if any payable to the Corporation as on the day of cancellation order, the same will be treated as revenue dues by the ex-allottee to the Government and RRC will be issued to concerned Deputy Commissioner for recovery of the same.

**8.2 REVIEW / APPEAL:** The power of review and appeal shall be exercised as follows:

- (a) **Review:** Review application against cancellation can be filed within 30 days of the cancellation order through the AGM(IES) concerned. The review of cancellation order shall be with DGM(IES) concerned who is competent authority to approve the cancellation.
- (b) **Appeal:**
  - (i) In case of cancellation of property where sital area is up to 200 sq.mtrs, the appeal shall lie with the DGM(IES) of the respective Division.
  - (ii) In case of cancellation of property is above 200 sq.mtrs, the appeal shall lie to the GM(IES&F).
  - (iii) The Managing Director of the corporation shall have the full powers in all cases.

**8.4 Limitation for filling review / appeal:** It shall be one month from the date of issue of cancellation orders. The powers for accepting the review / appeal beyond the prescribed period of 30 days, for the reasons to be recorded in writing, would however, vest with the authorities competent for restoration / extension.

**8.5 Policy for restoration of cancelled allotted property:** Any cancelled property which is still in possession of the party or possession has been taken by the Corporation but deposited money has not been refunded by the Corporation and such property is not re-allotted, then it may be considered for restoration by the Managing Director as per the following policy:

- (i) Cancellation of allotted property due to default in payment of 75% / 90% development charges or 3 or more consecutive installments: Restoration of property shall be done on payment of outstanding development charges along with interest and additional development charges @ 1/3rd of difference in prevailing rate of development charges and allotment rate.
- (ii) Cancellation of allotted property due to default in payment of less than 3 consecutive installments of development charges: Restoration of property shall be done on payment of outstanding installments of development charges along with interest and additional development charges @ 10% of difference in prevailing rate of development charges and allotment rate.

Note: However, while restoring allotted property as above, the amount of development charges (on original rate) + interest on outstanding development charges + additional development charges towards 1/3 or 10% of difference of the rates shall be limited to development charges on prevailing rate + 25% development charges on the then allotment rate. The outstanding service charges and ST, economic rent and interest thereon, if any, up to the date of restoration from the date of taking back of property till the date of restoration shall be waived.

(iii) Allotted property cancelled due to non-payment of service charges, ST and economic rent in time: Restoration can be done on payment of outstanding dues along with interest and additional penalty amount equal to 25% of principal outstanding dues of service charges, ST and economic rent.

(iv) Cancellation of allotted property due to the reasons other than mentioned above (like delay in commencement of production etc.): Restoration shall be done on payment of retention charges / other charges, as applicable / re-compliance of terms of allotment and lease deed on violation of which the property was cancelled, and on payment of additional development charges @ 10% of the rate of development charges prevailing in the area.

#### **8.6 Restoration of cancelled property:**

After receipt of payment of additional cost of land, interest, retention charges, dues etc. and removal of breach of terms and conditions, cancellation letter shall be withdrawn and property shall be restored to the property holder on the same terms and conditions.

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**CHAPTER - 9**

**9.1 REFUND OF EARNEST DEPOSIT MONEY:**

The Earnest Deposit paid with the application for allotment of Industrial Estate Property will be refunded in the following cases:

- j) Where the applicant has withdrawn in writing his request for allotment of Industrial Estate Property before allotment is made.
- ii) Where the application for Industrial Estate Property allotment before making allotment has been rejected.
- iii) Where allotment of Industrial Estate Property of a particular size applied for has not been made and the party does not accept alternative size of allotted property as offered, within one month from the date of issue of allotment letter.
- iv) The Earnest deposit made with the application for allotment of Industrial Estate Property shall be refunded to the allottee after the unit goes into production as defined in Industrial Estate Property and on application made by him.

**9.2 STAMP DUTY:**

The stamp duty, registration charges and all legal expenses involved in the execution of lease agreement etc. shall be borne by the lessee.

**9.3 RESERVATION OR REVOCATION OF PROPERTY:**

If in the opinion of the Corporation, any property or area is required to be reserved or withdrawn from allotment, the Corporation may do so at any time or revoke any proposal to dispose of such a plot or area in such manner as decided by the Corporation. The Corporation reserves the right not to allot a property of party's choice or not to make allotment at all without assigning any reason. The land area to be allotted for a particular type of industry shall be decided by the Corporation, which shall be final.

**9.4 ALLOTTEE TO ABIDE BY WATER/AIR POLLUTION RULES:**

The allottee/lessee of a plot shall be required to observe and perform all obligations and shall also be required to abide by rules, regulations and bye laws of the State Government, or any other authority as regards pollution of water/air.

**9.5 JURISDICTION OF LEGAL PROCEEDINGS**

All legal proceedings, for any breach of these rules, shall be lodged in appropriate courts of law situated in the state of Karnataka only and not elsewhere.

**9.6 Power to make rules/ amend the same:**

The Board of KSSIDC has full powers to make any rules or amend, substitute or omit any rules made here or thereafter.

**9.7 Delegation of powers to officers:**

The Corporation may delegate any of its powers under these rules to the Managing Director, General Manager and other officers of the Corporation or the Committees of officers for the efficient work of the Corporation. Further, Managing Director is authorized to issue necessary office orders / circulars / notifications from time to time for smooth functioning of the allotments under lease basis as framed in these rules.

**9.8 REPEAL AND SAVING:**

Except as provided in these rules, all rules and orders in relation to matters covered by these rules and in force immediately before the commencement of these rules are hereby repealed: Provide that nothing in these rules shall affect the previous operation of the rules hereby repealed or any action taken thereunder.