

**GOVERNMENT OF KERALA****Abstract**

Industries Department – Unified Industrial Land/Building (Allotment & Disposal) Regulations for KINFRA & KSIDC – 2024 - Orders issued.

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**INDUSTRIES (F) DEPARTMENT**

G.O.(Ms)No.39/2024/ID Dated, Thiruvananthapuram, 26-07-2024

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**ORDER**

Government have formulated a framework for *Unified Industrial Land/Building (Allotment & Disposal) Regulations for KINFRA & KSIDC* enabling entities to set up industrial units in the land/building owned by the Kerala Industrial Infrastructure Development Corporation (KINFRA) and Kerala State Industrial Development Corporation (KSIDC) and are pleased to issue same as appended herewith.

(By order of the Governor),  
A P M MOHAMMED HANISH  
PRINCIPAL SECRETARY.

The Managing Director, KSIDC, Thiruvananthapuram.  
The Managing Director, KINFRA, Thiruvananthapuram.  
The Director of Industries & Commerce, Thiruvananthapuram.  
The Accountant General (Audit I/Audit II) - Kerala, Thiruvananthapuram.  
Industries (G) Department.  
Industries (J) Department.  
Web & New Media.  
Stock file/Office copy.

Forwarded /By order,

Section Officer.

## **Unified Industrial Land/Building (Allotment & Disposal) Regulations for KINFRA & KSIDC - 2024**

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### **1. Short title and Commencement**

- (A) These regulations may be called “Unified Industrial Land/Building (Allotment & Disposal) Regulations for KINFRA & KSIDC - 2024”.
- (B) They shall apply to all lands purchased or acquired or held by Kerala Industrial Infrastructure Development Corporation (KINFRA) and Kerala Industrial Development Corporation Limited (KSIDC) and all lands transferred by Government to KINFRA/KSIDC and all buildings, industrial sheds and built-up space erected, constructed and situated in the said land which include Industrial Park and Industrial Township under KINFRA/KSIDC intending to be used for industrial or commercial purposes.
- (C) Applicability of these regulations: Clauses 4, 5, 6, 7, 8, 9, 10 and 11 of these regulations shall apply only for future allotments and all other clauses shall apply to all existing and future allottees.

### **2. Definitions**

In these regulations unless the context otherwise requires:

- (A) "Allottee" means any person to whom land and/or built-up space is allotted under these regulations and includes his/its successors in interest or permitted assignees.
- (B) "Builder/Developer" means any individual, Partnership firm, Cooperative society, Limited Liability Partnership, Private Limited Company, Public Limited Company engaged in construction activity/development of infrastructure facilities.
- (C) "Building Regulations" means the regulations framed by the KINFRA/KSIDC for the purpose of regulating the construction of buildings on the land held by such agencies.
- (D) "Built up space" means any structure or building or any portion of the building or sheds constructed or erected and situated in the land owned or held by KINFRA or KSIDC.
- (E) "Common Amenities" means amenities like banks, post offices, business centres, canteen, telecom facilities, internet facilities, warehousing facilities, training centres and the like intended to be used by all allottees/Lessees.
- (F) "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.

- (G) "Common Services" in relation to common portions means the services, which are rendered by KINFRA or KSIDC for maintaining, running or keeping in good condition the common portions use whereof may be regulated by KINFRA or KSIDC in their respective industrial park/industrial area.
- (H) "Government" means Government of Kerala.
- (I) "Government Agency" means both KINFRA and KSIDC which are Government undertakings to promote and assist in the rapid and orderly establishment, growth and development of industries in the state and to establish, maintain, develop and manage industrial areas at the places selected by the Government.
- (J) "Entrepreneur" means any individual, partnership firm, LLP, One Person Company, Co-operative society, Private Limited Company, Societies registered under the Charitable Societies Act, Public Limited Company, Limited Liability Partnership engaged in industrial, commercial or Service activity and Logistic and Warehousing facilities.
- (K) "Form" means respective forms used by the respective agencies viz. Application for Registration, Letter of Intimation, Application for Allotment, Allotment Letter, License Agreement, Lease Deed etc.
- (L) "Industrial Activity" means the activity of setting up and running any industrial, commercial/service and logistics & warehousing enterprise/supporting infrastructure.
- (M) "Industrial Park" means those lands developed by the KINFRA or KSIDC and declared as an industrial Park with definite boundaries for carrying out industrial activity.
- (N) "Land" means land as defined in 1(B).
- (O) "Land Allotment Committee" means the District Level Land Allotment Committee or State Level Land Allotment Committee constituted by the Government with such powers and functions for dealing with all matters connected with allotment and the disposal of land and built-up space or property held, owned or vested with the Government Department or Government undertakings.
- (P) "Designated Officer" means any Officer of the KINFRA or KSIDC as the case may be vested with the powers and functions on matters connected with allotment and disposal of land and built-up space.
- (Q) "Lease premium" means payment of lease premium fixed by KINFRA or KSIDC payable by the allottee of land as one-time down payment or in instalments under these regulations.
- (R) "Standard Design Factory buildings" means factory buildings constructed as per the standard designs approved by the respective Government Agencies.
- (S) "Service Activity" means any activity providing services such as telecommunications, IT/ITES, warehousing and logistics services, hotel and hospitality business, hospitals and hostels, petrol pump, incubation centres, education centres, training centres, centre of excellence, cold storage, food courts and the like services.
- (T) "Service enterprises" means units/enterprises engaged in rendering support services for the existing manufacturing enterprises within the industrial estates such as logistics, facilities including godowns (excluding standalone godowns solely for storage purposes), food courts,

hotel, canteen, medical centre, conference hall, petrol/diesel pumps, cold storage etc. to support the industries in industrial land. But this shall not include activities like automobile servicing and repairing, retail trading, laundry, medical testing labs and so on.

- (U) "Subsidiary Companies" means subsidiaries formed by KINFRA or KSIDC as the case may be to develop industrial infrastructure or social infrastructure.
- (V) "Warehousing and Logistics" mean designing, developing, operating and managing warehouses for the storage of goods (Raw and finished material) and management of the flow of goods and materials, between the point of origin and the point of destination in order to meet certain requirements of the industries/customers such as integration of information flow, material handling, packaging, inventory management and transportation.
- (W) "Transfer of allotment" means the transfer of property to a new legal entity including merger, acquisition and amalgamation of companies.
- (X) "Change in constitution" means change in the shareholding pattern of the allottee or change in the legal status of the allottee.

### **3. Layout of Industrial Parks**

KINFRA or KSIDC, as the case may be shall prepare a layout of the land to be developed by them as Industrial Parks or Industrial Areas before allotment. Government shall notify the said land as an Industrial Area for the purpose of these regulations.

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

The plots of land will be allotted to:-

- a) Entrepreneurs (Companies, Partnership firms, Proprietorship, LLP, One Person Company, Societies, Individuals and such other entities engaged or proposed to be engaged in industrial or Commercial activities as approved by Government or setting up Industrial enterprise within the state).
- b) Providers/Developers of common infrastructure facilities.
- c) IT/ITES Service providers
- d) Warehousing and Logistics service providers
- e) Land may also be allotted to Subsidiary Companies/undertakings by the Government agency on such terms as decided from time to time.

### **5. Manner of allotment of land**

The land will be allotted on a leasehold basis based on the following conditions:

- a. For investments of Rs 100 Crore and above, land will be allotted for a period not exceeding 90 years.
- b. For investments below Rs 100 Crore, land will be allotted for a period not exceeding 60 years.

In exceptional circumstances, land may be allotted on an outright sale basis to Central or State Governments, statutory corporations or Government companies for the 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 to Private Builders/Developers**

Wherever, it is necessary to construct a Standard Design Factory (SDF) by private investment through a Builder/Developer, land (limited to a maximum of 5% of the total extent) may be allotted to a Builder/ Developer for a period not exceeding 30 years for the purpose of construction, leasing and management of the SDF facility. The allotment is renewable for a further period not exceeding 30 years at the end of the initial lease period provided the building shall withstand the structural stability and lessee had satisfactorily complied with the terms and conditions of the original lease and the Unit/SDF is functioning satisfactorily.

#### **7. Allotment of land for Logistics activities and sub-leasing of warehouse facilities**

KINFRA or KSIDC as the case may allot land for logistic and warehousing activities in dedicated Multi-model Logistic Parks or in other Industrial Parks for a limited to a maximum percentage of the total extent fixed by the State Government from time to time. The original allottees, may sublease the built-up space constructed by him to another operator wherein, the sublessee shall not violate any of the lease conditions stipulated by KINFRA or KSIDC as the case may be in the original lease. The period of sublease shall not exceed the period of the original lease. If any violation is noticed, appropriate remedial action will be taken against the original allottee including the termination of the lease and the unutilized portion of the land shall be resumed by payment of compensation at the rate at which it was originally allotted.

#### **8. Special provision for allotment of land**

##### **a)Investment above 100 Crore**

The land shall be allotted on a priority basis to large investors, considering the economic development and employment generation that the investor offers to the State. The allotment shall be subject to the following conditions:

- (i) Allotment is limited to 25% of the total extent of allottable land in the industrial park or a minimum of 10 acres of land.
- (ii) Investor shall bring not less than 100 Crore investment within a period of 3 years and the project should generate employment opportunities commensurate with the investment. Such allotments shall be subject to the approval of State Industrial Land Allotment Committee (SILAC).
- (iii) In addition to the above, Agency/Government shall consider providing a package of incentives for those mega projects with an investment of not less than 300 Crore through a high-power

committee headed by the Chief Secretary, which will be in line with the Industrial Policy of the State Government.

#### Payment Terms

- Allottee is required to pay 10% of the total lease premium as EMD, within 90 days from the date of letter of intimation.
- Allottees can opt for a moratorium of 24 months from the date of remittance of 10% EMD. The remaining 90% of the lease premium will be paid in 9 equal yearly instalments, at the prevailing interest rate fixed by the agency from time to time.
- In case the allottee commits default in paying the instalments along with interest on the respective due date, the Government Agency may impose a penalty of 2% on the defaulted amount in addition to interest for delayed payment, without prejudice to the right of the Government Agency to cancel the allotment and resume possession of the land after forfeiting EMD.
- EMD shall be forfeited for any resumption or cancellation of the plot after 180 days from the date of the remittance of EMD. In the event of forfeiture or cancellation, before 180 days, a proportionate lease premium calculated for the actual period (rounded off to month) plus one month shall be recovered as a penalty from the EMD.
- The payment terms can be varied from park to park as decided by the respective Government Agency from time to time.
- In case the allottee commits default in payment of common facility charges/rental charges, lease premium, utility charges and other charges, the defaulted amount will carry interest as may be fixed by the respective Government Agency from time to time.
- For the delayed payments, amounts paid by the allottee shall be adjusted first towards penalty then towards interest and only thereafter towards the principal.

#### b) Investment between 50 Crore - 100 Crore (Non- MSME)

The land shall be allotted on a priority basis to investors considering the economic development and employment generation that the investor offers to the state. The allotment shall be subject to the following conditions:-

- (i) Investor shall bring not less than 50 - 100 Crore investment within a period of 3 years and the project should generate employment opportunities commensurate with the investment.