

Maharashtra Industrial Development Corporation
(A government of Maharashtra undertaking)

No. MIDC/Land Department/Section-1/A 71222

"Udyog Sarathi",
Marol Industrial Area,
Mahakali cave road,
Andheri (East), Mumbai - 93
Date: 6 MAR 2013

Circular

Subject: Revised Strategy for Extension to develop plots.

It is imperative that the plot holder develops the allotted land in the Industrial Area developed by MIDC within the stipulated time. **Plot development is the commencement of production by obtaining Building Completion Certificate (BCC) by completing the construction of the planned building as per the approved plans within stipulated time.** However, it appears that some plot holders are not developing the plots even within the stipulated time or extended period mentioned in the agreement. It is seen that some plot holders have been keeping the plots undeveloped for years without taking any extension or assuming extension. Also, some entrepreneurs start production by doing a little construction as per the approved plans. However, Building Completion Certificates are not obtained or Building Completion Certificates are left to be obtained by them. Some entrepreneurs have a misconception that they can ask for an extension at any time and they can get it automatically. Even from MIDC there is no continuous pursuit for plot development. Alternatively, industry development is being hampered. At present, the current policy of extension does not specify how much extension should be given for plot development. Therefore, MIDC is compelled to approve the indefinite extension demanded by the timely plot holder. MIDC has allotted plots for the purpose of removing the mindset and misconceptions of the plot holders regarding the development of plots. In order to achieve this objective, it is necessary to change the prevailing policy of extension for plot development and according to the prevailing policy, the land holders who have made concrete efforts/ effective action for plot development and have started construction as per the approved plan. However, as they have not completed the Building Completion Certificate, it is necessary to give a last chance to the plot holders as a last resort to adapt the previous extension under the prevailing policy and decide on a revised policy for the development

of newly allotted plots. This matter was presented at the 348th meeting of the Board of Directors of MIDC held on 18.12.2012. After a detailed discussion on the subject presented, Resolution No. 5167 has been passed and accordingly, the extension policy for development of plots is being amended as follows:

[A] Special Extension Scheme:

1. The Special Extension Scheme is being implemented till 31.08.2013 as a last chance for the development of undeveloped plots which have not been developed within the specified period or extended period of plot development as per agreement with them. Plot holders who apply for extension during this period should be required to adapt the previous extension by charging an additional 5% of the prevailing premium rate as per the current policy. The following plot holders should be eligible to avail the benefits of this Special Extension Scheme:
 - a. Plot holders who have made concrete efforts/ effective action for plot development as per prevailing policy.
 - b. Plot holders whose plots have been approved by the planned building plans and whose plots have been constructed to a lesser extent.
 - c. Plot holders who have been allotted plots on priority basis (e.g. large projects, foreign investment, etc.) and have not entered into specific terms and conditions for plot development in the agreement entered into with them.
 - d. Plot holders who have completed the construction as per the approved map and have not obtained the Building Completion Certificate started production, taken electrical connection to start the industry and installed machinery, such plot holders. In such a case, the plot holder should extend the period with retrospective effect till the day on which the production commences and for that extension the proportionate surcharge should be levied up to that month.
 - e. Plot holders who have completed the construction as per the approved plan within the stipulated time or in the extended period of the contract and have submitted the application along with complete documents to the concerned Deputy Engineer/ Executive Engineer/

Special Planning Authority or on the day on which the required documents have been fulfilled by the plot holder, in such a case the plot holder may have applied on the required day along with the required completed documents, so up to that day, the extension should be given with retrospective effect and for that the extension up to that day should be charged up to that month.

- f. The day on which the specified period of plot development in the agreement/ lease expires, and the day on which the specified period in the lease for commencement of production in the constructed shed/ shop expires, an additional premium amount should be levied for the extension at the premium rate existing on that day. Suppose, in case of extension of 2 years 3 months for extension till 31.08.2013, 5% per sq. m. per year for 2 years and proportionate surcharge for 3 months will be charged and such extension will be considered as third extension.
- g. Under the current Special Extension Scheme, the authority to grant extensions is granted as follows:

1	Approval of 1 to 5 extensions (1 year to 5 years after the prescribed period mentioned in the agreement)	Regional Officer
2	Approval of 6 to 10 extensions (from 6 years to 10 years after prescribed period mentioned in agreement)	Deputy Chief Executive Officer
3	Approval for extension of 11 years and above (all from 11 years after prescribed period mentioned in agreement)	Co- Chief Executive Officer
4	To approve all extensions for development of plots in Information Technology / Biotechnology / Special Economic Zone.	Co- Chief Executive Officer (I.T)

2. As mentioned above, if the land holders taking advantage of the prevailing policy are unable to develop the plot even after the extension given to them till 31.08.2013 and they request for further extension, in exceptional circumstances, only two extensions should be given as under:

First extension	On condition of paying a 25% non-	Chief Executive Officer or the
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	refundable surcharge.	Officer authorised by him
Second extension	On condition of paying a 40% non-refundable surcharge.	MIDC Board of Directors

3. Without giving further extension after the above two extensions, the plot should be taken back along with the construction on it and the cost incurred by the plot holder on the construction should not be reimbursed. They should also be encouraged to remove the construction work done by the plot holder on the plot themselves.
4. Plot holders who have not made any effort for the development of the plot should not be given extension for the development of the plot and action should be taken to take back the plot from them.
5. Prior to the date of this circular, if the extension is sanctioned by paying additional amount for the period after 31.08.2013, after the expiry of that period, the next extension should be approved as per the revised policy. For example, if the extension has been approved by paying Additional amount till 31.10.2013, then further extension from 01.11.2013 should be approved as per Revised Policy.

[B] Revised Extension Policy:

1. For the development of newly allotted but not yet given possession of the land, for the development of non-contracted land as well as the prescribed period mentioned in the contract/ lease which is still outstanding, for the development of such plots, after the expiry of the prescribed period, if the plot holder seeks extension, considering the concrete efforts/ effective action taken by such plot holders for the development of the plot, in exceptional circumstances, only 2 extensions should be given as under.

First extension	On condition of paying an additional non-refundable premium of 25%.	Chief Executive Officer or the Officer authorised by him
Second	On condition of paying a 40% non-	MIDC Board of Directors

extension	refundable surcharge.	
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2. The plot should be taken back along with the construction on it without giving further extension after two extensions as per (1) above and the cost incurred by the plot holder on the construction should not be reimbursed. They should be compelled to pay the first extension as well as to remove the construction work done by the plot holder on the plot themselves.

3. In exceptional circumstances, for example, MIDC has not provided minimum basic amenities for plot development (minimum basic amenities are access road to the plot), MIDC is unable to take possession of unloaded plots, other government departments occupy the land allotted by MIDC, natural calamities, impact of state/ central government policies, etc., In case of unavoidable circumstances/ beyond the control of allottee, the Chief Executive Officer reserves the right to grant any further extension or revised or new period for the development of the plot, free of cost.

[C] Guidelines for approving Revised Extension/ Charging of Excess Amount/ Cancellation of Agreement/ Refund of Remuneration etc.

1. The concrete efforts/ effective action taken by the plot holder for the development of the plot within the prescribed time frame for extension under the Revised Extension Policy will include the following:
 - a. The design of the proposed building should be approved by the concerned Executive Engineer/ Deputy Engineer/ Special Planning Authority of MIDC.
 - b. Must have obtained Industry Registration Certificate. (EM Part-I/ IEM/ Provisional IT/ BT Registration)
 - c. From the concerned department of MIDC, a copy of the Water Connection Approval letter or a Deposit receipt with respect to plumbing connection.
 - d. Must have obtained No Objection Certificate (NOC)/ (Consent to establish) of Maharashtra Pollution Control Board (MPCB).

- e. Receipt of Electrical Connection Approval letter from Electricity Board.
- f. Provision of financial assistance (Bank Loan Sanction Letter, Financial Closer. etc.)
- g. Letter of Appointment of Architect.
- h. Letter of Appointment of Structural Engineer.

At least 3 of the above (1) to (8) proofs must be fulfilled. Evidence from number (1) should be considered essential. The above evidence should be taken into consideration for approving the first extension by charging an additional 25% non-refundable amount.

If the building is constructed on a plot of land without the approval of the competent authority, such construction should not be included in the concrete efforts made for the development of the plot.

2. When approving the second extension to the plot holders, after they have already paid the additional 25%, the second extension should be approved on the condition of paying the additional 40% non-refundable amount considering the progress of construction on the plot during the first extended period. For this, a certificate of progress of construction from the Executive Engineer Deputy Engineer/ Special Planning Authority should be considered.
3. For allotment of plots which have been allotted at concessional rate (excluding PAP plots), the rates fixed for the period of extension in each of the Industrial Areas should be taken into consideration for extension of development of such plots.
4. (A) If the plot holders return the plots to MIDC on their own without approving the extension under the Special Extension Scheme, assuming that the annual land rent, all other dues paid for the development of the plot, for the period after the prescribed period or for the period after extension, have been extended (consumed) for the whole year, an additional premium of 5% per annum plus 5% of Administrative Cost, the remaining premium should be refunded after deducting the Service charges.

(B) If the plot holders do not return the plot on their own, then in such a case the contract of the plot should be cancelled and action should be taken by means of a routine Panchnama and action should be taken to take back the plots and all the dues as above (A) should be recovered from them. However, the service charge for administrative expenses should be levied at the rate of 10% instead of 5% and thus the remaining premium should be refunded after deduction.

(C) If the amount due to MIDC is more than the amount to be reimbursed, the difference amount should be recovered from the plot holder as an arrears of Land Revenue.

5. (A) If the plot holder returns the plot to MIDC after the expiry of the period of plot development mentioned in the agreement with the newly allotted plot holder or after the extended period as per the revised policy, from the amount of premium paid by them to the annual land rent, all other dues, assuming that if the first extension is applicable, 25% of the prevailing rate of that year and if the second extension is applicable, 25% + 40% of the prevailing rate of that year will be extended (consumed), the remaining amount should be refunded after deducting service charges.

(B) If the plot holder does not return the plot on his own, then in such a case the contract of the plot should be cancelled and action should be taken to take back the plot by means of a routine Panchnama and all the dues as above (A) should be recovered from them. However, for administrative expenses, service charges should be levied at the rate of 10% instead of 5% and thus the remaining premium should be refunded after deduction.

(C) If the amount due to MIDC is more than the amount to be reimbursed, the difference amount should be recovered from the plot holder as an arrears of Land Revenue.

6. The same policy should be applied to the built-up sheds, shops, etc., as the extension policy has been applied for the development of plots to start production in the allotted built-up sheds, shops, etc. The entire area of the plot should be considered for levying additional premium for extension of plot development. Also, if the MIDC has constructed a work-shed and allotted the work-shed with the plot, the entire area under the work-shed should be taken into consideration in order to charge extra

premium for extending the start of production in such work-shed. However, the proportionate area of the plot should be taken into consideration in order to charge extra for approving the extension for commencement of production in the constructed shop.

7. The Chief Executive Officer shall have the power to grant extension/ revised period for the development of the land (subject to court order) for the development of the land which has been affected by any court case.

8. In cases where the plot holders are allowed to pledge their rights/ claim in the land, agreement/ lease to the Financial Institution for financial assistance, and if the plot holder is unable to repay the financial assistance taken from the Financial Institution and the financial institution sells the mortgaged land to another entrepreneur, then in such a case the land is sold to a needy entrepreneur by the Financial Institution and such entrepreneur should be given a period of only two years for the development of plots in all A, B, C, D and D + divisions from the date on which the mortgaged land is handed over.

Under the Special Extension Scheme, the extension after 31.08.2013 should not be granted under any circumstances as per the prevailing policy, i.e. 5% of the then existing premium rate per sq. m. per year, by charging extra premium. However, further extensions after 31.08.2013, as per Revised Extension Policy, i.e. 25% for the first extension and 40% for the second extension, should be approved on condition of non-refundable additional amount.

As mentioned above, the Plot Allocation Order, Preliminary Agreement, Final Agreement, etc. should be amended accordingly in accordance with the provisions of the Revised Extension Policy. Also, the Law Department should amend the Plot Allocation Order, Preliminary Agreement, Final Agreement, etc. and distribute it accordingly.

The industrial sector wise information of the cases sanctioned for extension under Special Extension Scheme should be submitted to the Headquarters by 15.09.2013 in the attached table.

This circular should be affixed on the notice board of the Regional Office as well as on the notice board of the office of the Deputy Engineer/ Executive Engineer/ Special Planning Authority/ District Industries Centre, in a place where it is clearly visible.

This circular is being issued with the concurrence of the Legal and Technical Department and with the approval of the Hon'ble Chief Executive Officer, MIDC.

Table showing the details of cases approved for extension under Special Extension Scheme

Name of the Regional Office:

Sr. No.	Name of the Industrial Area	Name of plot holder	Plot Number and Area (Sq.M.)	Date of Agreement	Date of Possession	Last day of expiration of prescribed period / extension extended before this (Date)	Date of extended letter of extension under Special Extension Scheme	Amount of additional premium received (Rs.) for extension extended till 31.08.2013 under Special Extension Scheme