

## Maharashtra Industrial Development Corporation

(A government of Maharashtra undertaking)

no.MIDC/Land Department/A12236

“Udyog Sarathi”,  
Marol Industrial Area,  
Mahakali Caves Road,  
Andheri (East),  
Mumbai-93  
Date : 12/01/2016

### Circular

**Subject:** Regarding re-sublimation of building space in the subleased building / redevelopment of space in the same plot or permission to rent out.

#### References :

1. Circular no. MIDC/Law and Procedure Department/104, dated 03.03.2010
2. Circular no. MIDC/Co-CEO(IT)/Law and Procedure/87/2009, dated 27.10.2009
3. Circular no. MIDC/Co-CEO(IT)/Department of Law/110, dated 26.05.2010
4. Circular no. MIDC/IT Department/69977/2012, dated 05.03.2013
5. Circular no. M.N./503/2012, dated 03.05.2012
6. Circular no.MIDC/Law and Procedure/156/2012, dated 03.07.2012
7. Circular no.MIDC/Land Department/Desk-1/A55031, dated 18.02.2014

The policy regarding sublease of gala's in the building constructed on the land allotted in the industrial zone of MIDC has been issued by the Circular dated 03.03.2010 and dated 18.02.2014. However, the issue was raised in the 362nd meeting of the Board of Directors on 22.06.2015 in view of the demand from the entrepreneurs as the subleased plots could not be re-subletted or sub-lease . The issue has been discussed and Resolution No. 5497 has been passed. Following this Resolution, the following policy is being issued: -

#### **(A) Re-sublease of the gala's in the subleased building / open space in the same plot-**

1. Permission should be granted subject to the guidelines in the Circular dated 03.03.2010 and dated 18.02.2014 for re-sublease of gala / area in the subleased building. Re-sublease to sublease can be done for the remainder of the previous sublease.

2. Regarding permission for sublease, as per Circulars dated 03.03.2010 and dated 18.02.2014, no other changes have been made to the guidelines issued and the guidelines will continue to apply.
3. Under no circumstances can industrial plots be subleased for commercial purposes. Commercial/ industrial sublease can be done on commercial plots.
4. Transfer charges should be levied in accordance with the prevailing policy of MIDC for re-sublimation of the constructed space in the subleased building/ vacant space in the same plot. The sublease done in this way should be called Second Sub-Lessee and subsequent sub-lease should be called Third Sub-Lessee, Forth Sub-Lessee.
5. Sublease deed should be done between Lessor, Lessee, Transfer Sub-Lessee and Transfer Sub-Lessee. The contractual Recital should clearly mention the sublease in the intervening period. The original plot holder will be responsible for such changes from time to time.
6. It should be clearly stated in the agreement that if for some reason the lease/ first sublease/ previous sublease is cancelled, then the second and subsequent sublease will also be cancelled automatically.
7. If any irregularity is found in such case, all the responsibility will remain with the original plot holder.
8. The right to allow sublease will apply to the transfer of plots as per the given authority based on area.
9. If the second and subsequent subleases want to borrow from a financial institution for their industry, it will be limited to the duration of the second sublease and the sublease area of the floor/ space and for that a multilateral agreement will have to be entered into between MIDC Lessee, Transfer Sub-lessee and Transfer Sub-lessee and Financial Institution.

**(B) Sub-lease / re-rent of rented space in a constructed building-**

1. The subleased period can be re-rented as per the sub-rent guidelines of MIDC.
2. For the purpose of IT / ITES, BT as well as for all types of facilities in the building, the built-in spaces in the building for IT Support Services, BT Units, eligible facilities should be charged as per the sub-rent guidelines of MIDC.
3. The sublease / sublet area can be rented out within the sublease period.
4. Pre-approval of MIDC will be mandatory for re-subletting of subleased / sublet area.
5. If any irregularity is found in such case, all the responsibility will remain with the original plot holder.

**(C) In case of Built-up Gala / Built-up Area Sublimation / Transfer In case of cancellation of Legend-**

At issue number (b) of the Circular dated 18.02.2014 issued under Resolution No. 5269 passed in the 353rd meeting of the Board of Directors dated 27.11.2013, Provision has been made to levy 1% of the prevailing

premium rate of land allotment per sq. m. per year considering the proportionate area of the lease rent plot. However, the proposal to abolish the provision of leasing rent of 1% per sq. m. per annum was proposed in the meeting dated 30.11.2015 as it is not reasonable to charge 1% per sq. m. per annum after paying the difference for sublease. The matter was discussed in detail and Resolution No. 5524 was passed.

According to the Resolution, lease rent of 1% per sq. m. per annum of the prevailing premium rate should be abolished and instead nominal lease rent of Rs. 1 / - per annum should be levied from each sub-lessee.

Apart from this, no amendment has been made in the Circular dated 18.02.2014. This revised policy will be effective from the date of this Circular. If the lease rent has been paid at the rate of 1% per sq. m. per year as per the previous Circular dated 18.02.2014, the amount will not be refunded.

No other changes have been made in the reference Circular issued by MIDC regarding sublimation of boundary space/ area in the plot as well as sub-lease. Stakeholders will be responsible for strict implementation of the policy issued under this Circular and care should be taken to ensure that no financial loss is incurred by MIDC.

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