

Maharashtra Industrial Development Corporation

(A Government of Maharashtra undertaking)

"Udyog Sarathi", Marol industrial estate, Mahakali Caves Road, Andheri (East), Mumbai – 400 093.

No. MIDC/Land dept/M.V.(Land)/C67786

Date: 17/6/2021

CIRCULAR

Subject: Regarding refund / adjustment of additional amount paid to the plot owners as sub rent as well as refund of amount paid as transfer and sublease.

According to MIDC circular no. 44 dated 04/02/2008, plot owners in industrial areas obtain permission by paying sub-rent for 3, 5 or 10 years however after certain period the landowner or sub-tenants had to cancel their leave and license agreement due to their financial, labour difficulties and some legal issues. Due to premature termination of the agreement, the entrepreneurs in this matter are demanding a refund of the amount paid to MIDC in the form of sub-rent. However, in such cases, MIDC does not have a definite policy regarding refund of the amount paid as sub-rent.

Similarly, the plot owners take permission from MIDC by paying a fees for sublease or transfer of their plot of land. The entrepreneur requests MIDC to repay the fees paid for the transfer or sublease, in case their proposal is rejected for some reason. In this matter, there is no such policy by MIDC regarding the refund of the fees paid. As a result, this issue was raised in Board of Directors meeting no. 389 held on 29/04/2021. The resolution No. 6242 was passed after a detailed discussion in Board of Directors meeting.

As per the resolution passed, if the agreement was terminated prematurely after the buildings in industrial area and spaces in IT Park buildings were given on rent then considering the requests of plot owners the permission has been obtained from MIDC for refunding sub rent fees (After deducting GST) and for sub-lease, transfer by the plot owners. However, if their proposal is rejected for any reason, following actions should be taken.

1. After receiving the request for refund of the fee paid from the entrepreneur, the regional office must ensure that the sub-tenant has vacated the area. A report should be filed with the office in this regard.
2. Refund or adjustment should be made only if the amount to be refunded is more than 3 months.
3. In case of refund, if any other amount due to be recovered by MIDC, it should be recovered first and then the remaining amount should be refunded or adjusted.
4. The amount for sub-rent deposited with MIDC comes under the heading of revenue, it is required to be refunded as per MIDC circular No. C-53663 dated 09/10/2020. As per the instructions in this circular, approval of Joint Chief Executive Officer will be required for the refund amount up to Rs.25 Lakhs and permission of Chief Executive Officer, MIDC will be required for the refund of more than Rs.25 Lakhs.

5. Since the amount of GST charges is being paid to the treasury from time to time by MIDC, the amount to be refunded as sub-rental charges will be returned after the deduction of GST charges.
6. The plot owners who have obtained sublease, transfer permission from MIDC however, for some reason if their proposal is rejected during this period then if they request MIDC, a non-refundable processing fee (Rs.10,000/- for an area of 20,000 square meters and above and Rs.5000/- for a plot below 20,000 square meters) should be recovered from them and the amount they paid for sublease and transfer should be refunded.
7. Apart from the terms and conditions mentioned above, the CEO, MIDC reserves the right to enforce any other terms and conditions in this matter.

This circular is being issued with the approval from Honourable CEO, MIDC.

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