

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

Industries Department – Granting of mortgage permission and change of ownership of land in industrial areas - Orders issued.

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**INDUSTRIES (F) DEPARTMENT****GO (MS) No.60/ 2013/ID.****Dated, Thiruvananthapuram 10/06/2013.**

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- Read :-
1. G.O.(MS) No. 420/68/ID, Dated 22/10/1968.
  2. G.O.(MS) No. 169/69/ID, Dated 05/04/1969.
  3. G.O.(MS) No. 297/70/ID, Dated 24/08/1970.
  4. G.O.(MS) No. 55/2013/ID, Dated 27/05/2013.

**ORDER**

1. The Rules on lease of land for industrial purposes in Development Areas as per G.O.(MS)No.420/68/ID, dated 22/10/1968, the Rules on allotment of land for industrial purposes in Development Areas on hire purchase as per G.O.(MS)No.169/69/ID, dated 05/04/1969 and the Rules on assignment of land as per G.O(P) No.220/Rev. Dated 30/03/1964, do not allow alienation and encumbrance of land without the prior permission of Government / Director of Industries and Commerce. Most of the Industrial units set up in the industrial areas established by Government and Government Companies such as KINFRA, KSIDC and SIDCO, need to obtain finance from banks and institutions for constructing factory buildings and other facilities required. Such finance will not be available if the units are not permitted to mortgage their leasehold rights on the land. As per the rules, industrial units are not allowed to sublet or alienate the land allotted to them. Sometimes change of ownership of industrial land is also necessitated. Of late, Revenue Department has been taking the stand that mortgage permission can not be granted for industrial land and also that land has to be resumed first and then reallocated for change of ownership.

Both the above issues are creating serious difficulties for attracting new industrial units, especially in the MSME sector.

2. In the above circumstances, Government are pleased to order that all types of land allotment for industrial purpose as envisaged in the Government Orders read as first to third paper above will be (i) on lease basis only (ii) tenure of lease will be for a period of 30 years at a time and (iii) Director of Industries & Commerce is authorized to grant permission for + mortgaging lease hold right and change of ownership.

3. The Government Order read as fourth paper above stands cancelled.

By Order of the Governor,  
**V. Somasundaran,**  
Additional Chief Secretary.

To  
The Director of Industries & Commerce, Thiruvananthapuram.  
Revenue Department.  
General Administration (SC) Department. (Vide item number 3621, dated 22/05/2013).  
Stock file/Office copy.

Forwarded / By order,

Section Officer

Copy to:-

P.S to Minister (Industries & Information Technology).  
P.A to Additional Chief Secretary (Industries).  
PA. to Secretary (IP).