

**MAHARASHTRA INDUSTRIAL DEVELOPMENT CORPORATION**  
(A Government of Maharashtra Undertaking)

No. MIDC/DCM/Transfer Guidelines/ 651/2633 Marol Industrial Area,  
Mahakali Road,  
Andheri (East)  
Mumbai-400 093.

Dated:

**12 MAY 1998**

C I R C U L A R

Sub: Transfer guidelines for -  
Industrial plots/sheds/Residential  
plots, Galas in Flatted Type Buildings,  
Residential Flats -  
Modified Guidelines....

In supersession of all the previous resolutions, the Board of the Corporation by its resolution No. 3314 passed in its meeting held on the 18th day of April, 1998 approved the revised transfer guidelines. The copy of the said Resolution is enclosed for ready reference and for further necessary action.

The revised transfer guidelines are effective from the 18th day of April, 1998. These guidelines shall apply to all pending cases which were under process or have been processed but the decision have not been communicated shall be decided as per revised guidelines.

All concerned should note that the transfer guidelines as approved by the Board are subject to the approval of the State Government. Action is already initiated to get the approval of the State Government to these revised transfer guidelines and as soon as the approval to the transfer guidelines is received, the same will be communicated to all concerned.

It will, therefore, be necessary to take an undertaking from both the transferors and transferees to the effect that the decision of the State Government on the transfer guidelines shall be final and will be binding on the transferors and transferees.

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In view of this, the decision of permitting the transfer as per revised transfer guidelines shall be communicated as provisional transfer subject to the approval of the transfer guidelines by the State Government and that the decision of the State Government on the transfer guidelines will be final and binding on all the concerned.

The following are the important changes. But all concerned are advised that they should follow the text of the Board Resolution while permitting the transfer.

The formal categories of transfer will be only following:-

1. The natural person/individual wants to change the constitution and wants to include his blood relations (close relations) as partners viz. husband/wife/sons/daughters/father/mother/brothers/sisters of the original allottees or in case original partners want to delete any of the persons (this does not include the legal persons) such transfer shall be a formal transfer and shall be permitted on recovery of the minimum transfer charges.
2. The transfer because of death i.e. by bequeath/ will / heirship/ shall be permitted on recovery of the minimum transfer charges.
3. All involuntary transfers including amalgamation, demergers etc. under the direction of the Competent Court/Tribunals/appropriate Government not being this nature of permission and shall be permitted on recovery of the transfer charges.
4. Transfer from promotor of the proposed private limited company to private limited company incorporated by the promotor, the existing procedure for the transfer from the promotor to the company incorporated by the promotor will continue.

5. Transfer from promotor of the Co-op. society to the Co.op. Society registered under the Maharashtra Co.op. Society Act shall be treated as a formal transfer and shall be permitted on recovery of the transfer charges.
6. Mere change in the name of the proprietary concern/partnership firm, without changes in the individual proprietor/partners or mere change in the name of the limited company under the provisions of the Companies Act, 1956, or where there is a change of management of the limited company not involving transfer of interest in the land/shed/gala there being no transfer of interest such changes will be noted by the Corporation without recovery of the transfer charges or differential premium.

#### **NON-FORMAL TRANSFERS**

Any other transfer which do not cover under the formal transfers referred to above will be treated as a NON FORMAL transfer and the same will be permitted subject to the recovery of the differential premium as mentioned below:-

1. Where the Licensee/Lessee has constructed or consumed at-least 10% of the permissible F.S.I. of the plot area, such transfer will be permitted on recovery of the 10% of the differential premium.
2. Where the condition at (1) above is not fulfilled, i.e. has not constructed at least 10% of the permissible F.S.I. of the plot area such transfer will be permitted on recovery of the 30% of the differential premium.

**Explanation:** For the purpose of the determination of the construction of at least 10% of the permissible F.S.I. of the plot area, the certificate issued by the Licensed Architect will have to be produced by the Licensee/Lessee and such certificate will be relied upon by the Corporation. In addition,

certificate of the Special Planning Authority of the Area may also be obtained for cross checking

**THUS THE TRANSFER ARISING OF:**

1. INDUCTING INDIVIDUAL NOT BEING BLOOD RELATIONS.
2. THE CHANGES IN PARTNERS NOT BEING BLOOD RELATIONS.
3. TRANSFER FROM PROP. TO PARTNERS OF THE PARTNERSHIP FIRM NOT TO THE BLOOD RELATIONS.
4. PROMOTOR TO PROPOSED PARTNERHSIP.
5. FROM PROPRIETOR OR PARTNERSHIP TO THE PRIVATE LIMITED COMPANY/ LIMITED COMPANY
6. FROM HOLDING TO SUBSIDIARY OR FROM ONE SUBSIDIARY TO ANOTHER SUBSIDIARY OF THE SAME HOLDING COMPANY.
7. FROM ONE LIMITED COMPANY TO ANOTHER LIMITED COMPANY.
8. FROM PRIVATE LIMITED COMPANY TO INDIVIDUAL OR PARTNERS OF THE PARTNERSHIP FIRMS.

ALL THESE TRANSFERS AS PER REVISED TRANSFER GUIDELINES SHALL BE TREATED AS NON-FORMAL TRANSFERS AND SHALL BE DECIDED ON THE BASIS OF THE PRINCIPLES MENTIONED ABOVE.

A statement giving the various transfers and the nature of the transfers as per old transfer guidelines and such transfer as per new transfer guidelines as approved by the Board as per resolution No. 3314 passed in its 248th Meeting held on 18th day of April, 1998 is prepared and enclosed for information of the all concerned.

The transfers of the residential plots/galas in flatted factory buildings, built-up sheds/galas in the residential buildings/galas from the co-operative society shall also be considered as per principles and the details of these

are included in the resolution No. 3314 passed in the Board meeting held on 18th day of April, 1998.

All concerned should decide all the pending cases, and all cases which were under process or processed but the decision has not been communicated to the parties should be decided on the basis of the new transfer guidelines.



CHIEF EXECUTIVE OFFICER.

Copy to

- 1) All Heads of Departments, MIDC, Mumbai.
- 2) Addl.Chief Engineer, MIDC, Nagpur/Pune
- 3) The Superintending Engineer, MIDC, Mumbai/Pune/A'bad/ Mahad
- 4) All Regional Officers, MIDC
- 5) All General Manager, DICs.
- 6) All Executive Engineers, MIDC
- 7) The Dy.Chief Accounts Officer, MIDC, Mumbai/A'bad/Nagpur/Pune
- 8) The Administrative Officer, MIDC, Mumbai.
- 9) The Sr. Officer (ULC) & Manager (ID), MIDC, Mumbai.
- 10) The Chief Lands & Rehabilitation Officer, MIDC, Mumbai.
- 11) The G.M. (Marketing) and P.R.O., MIDC, Mumbai.
- 12) The Economic Geographer & Cartographer, MIDC, Mumbai
- 13) All Area Managers, MIDC
- 14) The Establishment Officer, MIDC, Mumbai.
- 15) All Board Members of MIDC
- 16) All Industries Associations.
- 17) Central Circular File, C.E.O.'s office, Marol/Orient House.

**ANNEXURE-I**  
**(Resolution of Transfer Guidelines)**

RESOLVED in supersession of all the previous resolutions governing the transfer of plots, sheds, galas in MIDC industrial areas, the following guidelines be followed in respect of the transfer of plots, sheds and galas in MIDC industrial areas.

1. These guidelines shall come into force from the date of resolution of the Board.

2. A. "Differential Premium" in respect of land shall mean the difference between the occupancy premium amount for the plot calculated at the land rates prevalent at the time of receipt of the application of the transfer by the Corporation and the amount calculated at the land rates prevalent at the time of initial allotment in favour of the transferor

**Explanation:** Where any financial institution/Bank after obtaining prior permission of the Corporation, created charge and subsequently sold off the plot/shed/gala in exercise of its powers under the mortgage and in case the purchaser of such plot/ shed/gala from the Financial Institution/Bank desires in due course of time, to further transfer the said plot/shed/gala purchased from the Financial Institution/Bank, the land rate of premium of MIDC prevalent on the date of sale deed/ Agreement to sale executed by the Financial Institution/Bank shall be treated as the rate prevalent at the time of initial allotment.

B. "Transfer Charges" shall mean documentation charges (subject to a minimum) that may be fixed by the Corporation from time to time for processing transfer request where the differential premium is not being charged or where the differential premium is payable, there being no difference in the premium rates at the time of initial allotment and at the time of transfer; or where the differential premium calculated being less than the Transfer Charges, the Corporation may

fix different rates and different minimum Transfer Charges for different regions of the State as the Corporation may deem fit.

3. In respect of the following transfer only Transfer Charges would be payable.

a. Where the individual/individuals (who is/are natural person(s)) wants to change the constitution by inducting only natural persons who are blood relations viz. husband/wife/sons/daughters/father/mother/brothers/ sisters of the original allottee/s as partners or in case, existing partners want to delete any of the persons (this does not include the legal person) such transfers shall be treated as a formal transfer and shall be permitted on recovery of the minimum Transfer Charges.

b. The transfer because of death i.e. by bequeath/heirship/will shall be permitted on recovery of the minimum Transfer Charges

c. An involuntary transfer including amalgamation, demerger etc. under the direction of the Competent Court/Tribunal/Appropriate Govt. not being this nature of permission and shall be permitted on recovery of the Transfer Charges

d. Transfer from promotor of the proposed private limited company to private limited company promoted by him:-

Where a person has applied for land in his own name but as a promotor of a proposed limited company which is not yet incorporated and incorporates the limited company within a period decided by the Govt. (By virtue of earlier guidelines, it is three years from the date of Agreement to Lease) and (ii) also applies for the transfer of the plot/ shed/gala in the name of the limited company so incorporated within a period of three years from the date of the execution of the Agreement to Lease and (iii) where the original applicant/promotor holds at least

20 per cent shares in the total paid up capital of limited company so incorporated and (iv) undertakes to hold 20% shares in the total paid up capital of the company incorporated for a period of two years from the date of grant of permission for transfer by the Corporation; such transfer will be treated as a formal transfer and shall be permitted without recovery of the Transfer Charges and without recovery of the differential premium.

PROVIDED however, where the limited company is not incorporated within a period of three years from the date of the execution of the Agreement to Lease and/or (ii) where such person has not requested for the transfer of the said plot/shed/gala in favour of such limited company incorporated within a period of three years from the date of the Agreement to Lease, the benefit of transfer without recovery of the Transfer Charges and without recovery of the differential premium will not be made applicable. It is clarified that where the limited company is not incorporated and where the applicant has not applied for the transfer of the plot/shed/gala in the name of the limited company so incorporated within a period of three years from the date of the agreement to Lease, the transfer to a limited company so incorporated will be decided as per normal transfer guidelines in these transfer guidelines.

**EXPLANATION - I :** Where the Agreement to Lease is not executed but lease is directly granted, the period of three years for the purpose of incorporation of limited company will be computed from the date of the execution of the final lease.

**EXPLANATION II:** Where the legal person has applied as a promotor of the another legal person, the provisions of clause 3(d) above will apply mutatis mutandis except that in place of person, the word "legal person" shall be substituted. The Legal person shall have to fulfil the conditions mentioned above and such legal person will have to hold 20% shares in the total paid up capital of the transferee company for a minimum period of two years from the date of the



grant of the permission of transfer and undertaking as stated in clause 3(d) will have to be obtained both from the transferor or/and transferee company.

e. The transfer from promotor of the Co-op. Society to the Co-op. Society registered under the Maharashtra Co-op. Society Act shall be treated as a formal transfer.

f. Where change of name or change of management of the Limited Company not involving transfer of interest, the same will be noted without recovery of the Transfer Charges or differential premium.

#### **4. NON-FORMAL TRANSFERS:**

Any transfer which do not cover under the formal transfer category referred to above will be treated as "NON FORMAL" and will be permitted subject to the recovery of the differential premium as mentioned below:-

i) Where the licensee/Lessee has constructed or consumed at least 10% of the permissible F.S.I. of the plot area, such transfers will be permitted on recovery of the 10% of the differential premium.

ii) Where the Licensee/Lessee does not fulfill the condition mentioned in (i) i.e. has not constructed at least 10% of the permissible F.S.I. of the plot area such transfer will be permitted on recovery of the 30% of the differential premium.

For the purposes of the determination of the construction of at least 10% of the permissible F.S.I. of the plot area, the certificate issued by the Licenced Architect will have to be produced by the Licensee/Lessee and such certificate will be relied upon by the Corporation. In addition, Spl. Planning Authority's Certificate in the matter would also be obtained for cross checking.

**5. TRANSFER OF BUILT-UP SHEDS:-**

- (a) The nature of the transfer (i.e. whether formal or non formal) of sheds allotted on outright purchase basis or on instalment basis shall be governed by the aforementioned guidelines in respect of transfer of land holding.
- (b) Formal transfer will be permitted on recovery of the minimum Transfer Charges.
- (c) However, where the allottee of the shed has installed plant and machinery and has commenced the production in the shed allotted to him within a period of 3 years or any other period as laid down by the State Govt., from the date of the handing over the possession of the shed, 10% differential premium is to be recovered while allowing transfer as non-formal transfer.
- (d) Where the allottee of the shed has not installed Plant & Machinery or has not gone in production in the shed allotted to him within a period of 3 years or any other period as laid down by the State Govt. from the date of handing over of the possession of the shed, 30% differential premium is to be recovered while allowing transfer as non-formal transfer.

**6. TRANSFER OF INDUSTRIAL GALAS ALLOTTED ON RENTAL BASIS:-**

- A. The nature of the transfer i.e. whether formal or non formal shall be governed by the aforementioned guidelines in respect of the land holding.
- B. The formal transfer of gala shall be permitted on recovery of the Transfer Charges calculated as equivalent to one year's rent for the said unit/gala.

C. The non formal transfer shall be permitted on recovery of the Transfer Charges equivalent to three years' rent.

D. If the transfer is made without permission of the Corporation, such transfer may be regularised in the discretion of the Corporation on recovery of the transfer Charges equivalent to 5 years rent irrespective of the nature of transfer.

7. **TRANSFER OF UNITS/GALAS ALLOTTED ON INSTALMENT/OUTRIGHT PURCHASE BASIS:-**

The provisions of clause 9, mutatis mutandis, shall apply to such transfer. Proportionate differential premium would be charged on the basis of the area of the gala being transferred.

8. The transfer of residential plots would be permitted on the basis of the transfer guidelines herein above.

9. (a) The transfer of industrial/residential units in the flatted type building or residential building shall be permitted (where the unit has gone in production or residential gala is occupied) on the basis of the above transfer guidelines.

(b) The transfer covered under formal transfer shall be permitted on recovery of minimum Transfer Charges.

(c) Where the Industrial Unit gone in production or residential gala is occupied such transfer will be permitted on recovery of 10% (Ten Per cent) of the differential premium based on proportionate area of the plot with reference to the area of gala/unit.

(d) Where the industrial unit has not gone in production or residential

gala is not occupied, such transfer will be permitted subject to the recovery of 30% (Thirty per cent) of the differential premium, based on proportionate area of the plot with reference to the area of the unit/gala.

10. The transfer of members of the Society of the tenement holders where the gala is not occupied would be permitted on the recovery of 30% (Thirty per cent) of the differential premium.

11. **TIME FOR PAYMENT OF THE DIFFERENTIAL PREMIUM/TRANSFER CHARGES**

Where the Corporation has decided to permit transfer on recovery of the differential premium or on recovery of the minimum Transfer Charges as the case may be, the said amount shall be paid by the transferor within 30 days from the date of the receipt of the communication calling upon the transferor to pay the differential premium/Transfer Charges. If the payment of the differential premium/Transfer Charges as the case may be is not paid within 30 days from the date of the receipt of the communication calling upon the transferor to pay the said amount, the permission to transfer shall lapse and the case shall be treated as closed. The Corporation may in its discretion (if, in the meanwhile there is no change in the rates of premium fixed by the Corporation) extend period up to 150 days for payment of such differential premium/Transfer Charges on payment of interest in advance at such rate as may be fixed by the Corporation from time to time on the amounts that remain unpaid after completion of 30 days from the date of receipt of the communication referred to above. If there is a change in the rates of premium, the differential premium would be recoverable at the revised rate fixed by the Corporation.

12. **DELEGATION OF POWERS:**

The Chief Executive Officer, the Joint Chief Executive Officer, Deputy Chief Executive Officer are hereby delegated powers to take decision in all cases of formal and non formal cases of transfer.

The Regional Officers are hereby delegated powers to decide the cases of transfer up to 2 hectares of land /shed/gala for all Indl. areas and 5 hectares of land/shed/ for five star industrial areas as per the above transfer guidelines whether formal or non formal transfer.

13. **AMENDMENTS:**

The Corporation reserves its right to amend, alter, add, cancel all or any part of the aforementioned transfer guidelines without notice and without assigning any reason.

14. The rates of the Transfer Charges including the minimum Transfer Charges shall be those as decided by the Board in its meeting held on 10.2.1994 vide resolution No. 2983. These rates are as under:

**Zone**                      **Transfer Charges.**

- |        |   |
|--------|---|
| 1. A   | Rs. 10/- per sq.mtr. (Minimum Rs. 10,000/-) |
| 2. B.  | Rs. 7/- per sq.mtr. (Minimum Rs. 7,000/-)   |
| 3. C.  | Rs. 5/- per sq.mtr. (Minimum Rs. 5,000/-)   |
| 4. D.  | Rs. 3/- per sq.mtr. (Minimum Rs. 3,000/-)   |
| 5. D+. | Rs. 2/- per sq.mtr. (Minimum Rs. 2,000/-)   |

15. When the transfer is sought to be made while there is no difference in the premium of the plot owing to the circumstances that there is no difference

between the price existing at the time of initial allotment of plot and the price ruling at the time of the receipt of the application of the transferor by the Corporation, the question of charging any differential amount even in non formal types of cases would not arise. However, in such cases the minimum Transfer Charges will be charged by the Corporation.

16. Resolved that where the transfer is permitted as per transfer guidelines as a non formal transfer on recovery of the differential premium and where such allottee have not produced the Building Completion Certificate in such cases a fresh schedule for production of building completion Certificate may be given from the date of the grant of permission for transfer as a non-formal transfer.

These transfer guide lines will apply for transfer of plot/shed for the use for which the plot/shed is allotted. These transfer guidelines will not apply for the change of use of the plot. The cases of change of use and transfer and change of use will be decided by the Board.

All the directives received from the State Government in regard to the transfer of interest in the last shall be implemented by the Corporation.

The revised/new guidelines shall come into force from the date of this resolution. All such cases received and under process and where no decision has been communicated to the party, may be decided as per revised guidelines.

**(Extract of Resolution No. 3314 passed in 248th Meeting of the MIDC Board held on 18.4.1998).**

STATEMENT

Sr.No	Description	As per old guidelines	As per new guidelines.
a)	Addition of close relation viz Spouse, brother, sister, children and parents	Formal transfer	Formal transfer
b)	Addition of partner & original allottee holds not less than 51% shares in capital in partnership firm.	Formal transfer	Non formal transfer
c)	Allottee admits Ltd. company as partner & original allottee hold not less than 51% shares in capital of partnership and also hold not less than 51% shares in total paid up capital of Pvt.Ltd. Co. admitted as a partner.	Formal transfer	Non formal transfer
d)	Change in partnership where original allottee along with close relation viz. spouse, brother, sister, children, parent hold not less 51% shares in the capital of partnership.	Formal transfer	Non formal transfer
e)	Promotor of proposed Pvt. Ltd. Co./Ltd Co. to a Company incorporated by the Promotor and holds atleast 20% shares in the total paid up capital of Pvt. Ltd. Co./Ltd. Company.	Formal transfer	Formal transfer
f)	Promotor of partnership, where original partner holds at least 20% shares in capital of partnership firm	Formal transfer	Non formal transfer
g)	Partnership firm to Ltd. Co. where original partner hold not less than 51% share in the transferee Ltd. Company.	Formal transfer	Non formal transfer
h)	i) From holding Company to subsidiary company or vice versa or from one subsidiary to another subsidiary of the same holding company. Certificate of CA to be kept on record to prove the relationship. ii) Transferor Company holding 26% shares in the total paidup capital of transferee Company.	Formal transfer  Fomal transfer	Non formal transfer  Non formal transfer
i)	Where same set of company share holder hold not less than 51% shares in the total paid of capital of both transferor and transferee company	Formal transfer	Non formal transfer

Sr.No.	Description	As per exiting guidelines	As per proposed guidelines
j)	From Pvt. Ltd. Co. to a proprietor or partners of partnership firm where proprietor / partner holds not less than 51% shares in the total paid up capital of the Pvt. Ltd. Co.,	Formal transfer	Non formal transfer
k)	Change in the transfer of Public, Private registered trust or society registered under the Societies Registration Act.	Formal transfer	Non formal transfer
l)	Promotor to Co-operative Society.	Formal transfer	Formal transfer
m)	i) Involuntary transfer by operation of law viz. Amalgamation of Companies. ii) Amalgamation/Restructuring / Merger occasioned as per BIFR orders	Formal transfer -----	Formal transfer Formal transfer.
	Transfer which are not covered under the formal categories are non formal transfer.		



	Differential premium for non formal transfer..	50% for Non vacant land and 100% for vacant land.	i)Where allottee has constructed 10% of permissible FSI of the plot area, 10% differential premium is payable. ii)Where allottee has not constructed 10% of permissible FSI of the plot area 30% differential premium is payable.
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