

LAND REFORMS



***37-A - GRANT OF PERMISSION TO INDUSTRIAL
/COMMERCIAL UNDERTAKINGS***

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37-A

GRANT OF PERMISSION TO INDUSTRIAL/COMMERCIAL UNDERTAKINGS

Under section 73(iv) of the Principal Act & before introduction of section 37-A

- Any industrial or commercial undertaking which bona fide carries on industrial or commercial operation and approved by Government can hold any extent of land.

After introduction of section 37-A [inserted under Amended Act, 1972 (Act No. 20/1972)]

- Ceiling limit -- 15 standard acres.

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After introduction of section 5(1)(e) [inserted under Amended Act, 2018 (Act No. 24/2018)]

- Ceiling limit is 30 standard acres in the case of industrial or commercial undertaking which invests more than 20 crores of rupees;

Provided that-

- ✓ lands shall be of dry land;
- ✓ shall utilise the land for industrial or commercial purposes within such period as may be prescribed; and
- ✓ shall continue to use the said land for industrial or commercial purposes

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- Industrial or commercial undertaking to apply for grant of permission to hold land in excess of ceiling area of 15 or 30 standard acres as the case may be, under section 37- A before the Government.
- Industrial or commercial undertaking to apply to Govt. within 180 days from the date of registration of documents.
- Government is the Authority to grant permission under section 37-A.

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- *Govt. call for a field report and the report of DRO with his/her recommendations be placed in the Industrial Exemption Committee (IEC) constituted by the Govt. and based on its recommendations, Govt. grant permission or otherwise under section 37-A.*

- ***The IEC Committee consists of –***
 - Commissioner of Land Reforms - Chairman
 - Director of Land Reforms - Member Secretary
 - Senior officer of the level of Deputy General Manager or above of the TIDCO / SIPCOT - Invitee
 - Head of the respective department - (Special Invitee as and when required)

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- Govt. based on recommendations of IEC, grant permission or otherwise under section 37-A, subject to conditions as prescribed under rule 56 of the TNLR (FCL) Rules, 1962.
- The excess lands over and above the ceiling area of 15 or 30 standard acres are to be declared surplus under section 20, but on an application, Govt. is allowing the industrial or commercial undertaking to hold such lands for industrial or commercial purposes.
- As such, excess lands are not subjected to any transfer, whether by sale, gift, exchange, surrender, settlement or otherwise and mortgage, as mortgage is a deferred transfer of title.

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➤ **Conditions -**

- ✓ *The lands permitted should be utilized only for Industrial purposes.*
- ✓ *The lands permitted shall not be sold or alienated or mortgaged by the company.*
- ✓ *If the land held by the industrial or commercial undertaking is intended for raising agricultural produce-*
 - *the permission shall be for a period of three years, but the Government may , from time to time, extend the permission for a further period not exceeding three years at a time; and*
 - *a substantial portion of such produce shall be utilised for the main purpose of the undertaking or for ancillary purposes of such undertaking.*

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- *If the land held by the industrial or commercial undertaking is required for mining operations to be carried out at a future date, the permission shall be in force as long as the licence or the lease is in force.*
- *If the land held by the industrial or commercial undertaking is required for future expansion of the undertaking, the land shall be fully utilised for such expansion within such period as the Government may, from time to time, by general or special order specify.*

In the absence of such an order, the land shall be utilised for such expansion within a period of five years from the date of the order granting permission.

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- *If the land is required by the industrial or commercial undertaking for any purpose other than the purposes referred to above, the undertaking shall comply with such conditions as the Government may specify in the order granting such permission.*
- *The industrial or commercial undertaking shall comply with such other conditions as the Government may, from time to time, by general or special order specify.*

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Cancellation of permission on breach of conditions (Section 37-A(5))

The Government shall cancel the permission in respect of any land granted under this section on breach of any conditions specified by the Government.