

**C I R C U L A R N O . 9 1 9**

Sub: Release of amount directly to KIADB for purchase of KAIDB land by the promoters assisted by KSFC.

As per the MoU entered into between KSFC and KIADB on 14-12-2009, there is a provision for financing purchase of KIADB land by the allottees who are assisted by KSFC. The prevalent practice in KSFC is to secure the property after collecting the original documents of titles before effecting releases. However, some of the borrowers who have been allotted land by KIADB are requesting for release of amount in advance for purchase of land, since KIADB is insisting payment of 99% cost for execution of the lease-cum-sale agreement and issue of other relevant documents. To overcome this problem, a Joint Meeting has been arranged between KSFC and KIADB on 13<sup>th</sup> August 2010 chaired by the CMD, KSFC, attended by CEO & EM, KIADB along with senior officers of both the institutions. A copy of the proceedings of the said meeting is enclosed for reference.

With the above in place, it has been decided to release the monies by KSFC based on the following:-

- (a) KSFC to obtain interim documents of all promoters, PG holders, loan agreement and an undertaking letter from the promoters requesting for release of loan towards purchase of land directly to KIADB and to ensure that the cheque is directly sent to KIADB with due acknowledgment. However, it should be ensured that the promoters have paid their margin towards purchase of land before release of amount by the Corporation.
- (b) After receipt of payment from KSFC, KIADB shall execute lease cum sale agreement, possession certificate and permission to mortgage the land in favour of KSFC for getting the registration of lease-cum-sale agreement from the loanee to regularize the documents.
- (c) The Manager {L} HO Credits department / Manager (L) of BOs shall personally collect these documents from the KIADB and complete the documentation.
- (d) The HoD of Credits Department at HO / BMs of BOs shall not make any further release without completing the documentation and certification of final documents by Manager {L} in the respective offices / BOs.

**Sd/-**

**CHIARMAN & MANAGING DIRECTOR**

To:  
All BMs  
All ZMs / DGMs of Super 'A' Branches / IA Cells  
All Principal Officers / Section Heads in HO  
All General Managers  
Library  
Executive Directors – for information

**PROCEEDINGS OF THE JOINT MEETING BETWEEN KSFC & KIADB HELD ON 13<sup>TH</sup> AUGUST 2010 AT BOARD ROOM OF KSFC, HEAD OFFICE, BANGALORE.**

**MEMBERS PRESENT:**

- |   |  |          |
|---|--|----------|
| 1 | Sri Kaushik Mukherjee, I.A.S., CMD-KSFC      | Chairman |
| 2 | Sri Sham Bhatt, I.A.S., CEO & EM – KIADB     | Member   |
| 3 | Sri N R Sridhar, ED {O}, KSFC                | Member   |
| 4 | Sri B H Srinivasa Murthy, GM {Credits}, KSFC | Member   |
| 5 | Sri G Nagaraja, GM {South Zone}, KSFC        | Member   |
| 6 | Sri Ashok R Manami, GM, KIADB                | Member   |
| 7 | Sri Musalagi, Finance Officer, KIADB         | Member   |

DGM, KSFC, BRZ and AGM, KSFC, BO, Tumkur represented in the meeting.

A Joint Meeting between CMD of KSFC and CEO & EM, KIADB along with senior officers of both the institutions was arranged on 13-08-2010 to address the common issues of KSFC and KIADB. In the deliberations, the subject matter of KIADB allotting 10 acres of land in Herohalli Industrial Area in favour of KSFC for development of Technology Park for IT Sector has been discussed. It has been decided to develop this land by KSFC in association with KIADB by fragmenting into smaller plots based on the requirement of SMEs to provide entrepreneurs identified by KSFC in the form of total package from KSFC for acquisition of land, construction of building and for equipment by extending financial assistance from KSFC.

Executive Director {O} brought to the notice of the Committee that in respect of land allotted by KIADB in Harohalli Industrial Area, KSFC is to make a payment of Rs.4.80 crores on or before 18-08-2010 as per the allotment letter. It is informed that KSFC is able to make this payment only after the land is fragmented and allotted to the needy entrepreneurs of KSFC. This proposal was accepted by the CEO, KIADB.

Further, on the same lines, it was agreed upon by both the institutions that KIADB will provide 50 acres of Industrial land in each of the industrial areas developed by KIADB in Dabaspet and Doddaballapur to KSFC for development and fragmenting the land in association with KIADB for allotment to the SMEs identified by KSFC in the form of total package by extending financial assistance for acquiring land, construction of building and for acquiring equipment. Sri B H Srinivasa Murthy, GM {Credits}, KSFC and Sri Ashok R Manami, GM, KIADB are nominated as nodal officers representing KSFC and KIADB respectively to work-out the modalities.

The matter relating to release of monies from KSFC in favour of KIADB in respect of Industrial Units which have been allotted land by KIADB has been discussed. The committee noted that the KIADB is expressing difficulties in issuing lease –cum – sale agreement, possession certificate and permission to mortgage the land in favour of KSFC after release of monies earmarked to land allotted by KIADB. It was agreed upon that KSFC to initially obtain interim documents like PG of promoters, the loan agreement and an undertaking letter from the loanees for release of loan towards purchase of land directly to KIADB and upon receipt of the payment, KIADB shall execute lease-cum-sale agreement, issue possession certificate and permission to mortgage the land in favour of KSFC and to ensure that these documents are directly sent to KSFC for getting the registration of lease-cum-sale agreement from the loanee to regularize the documents.

It was further decided in the meeting that the responsibility to hand over these documents rests with KIADB to ensure that these documents are directly handed over to KSFC wherever the KSFC has financed for the land and further ensure that the margin money received from the entrepreneurs. It also noted that as per the MoU entered into between two institutions on 24-07-2009, sufficient safeguards have been incorporated to protect the interest of both the institutions. The CMD, KSFC and CEO, KIADB made it very clear that wherever KIADB receives money from KSFC for acquisition of land, the documents will be passed on to KSFC and KIADB should not hand over the documents to the promoters directly under any circumstances.

With the above, it has been decided to release the monies by KSFC based on the following:-

- (a) KSFC to obtain interim documents of all the promoters, PG holders, loan agreement and an undertaking letter from the promoters requesting for release of loan towards purchase of land directly to KIADB.
- (b) After receipt of payment from KSFC, KIADB shall execute lease cum sale agreement, possession certificate and permission to mortgage the land in favour of KSFC and to send these documents directly to KSFC for getting the registration of lease-cum-sale agreement from the loanee to regularise the documents.

With the above, the meeting was terminated with vote thanks to the Chair.

Sd/-,

**SRI SHAM BHAT**  
**CEO & EM ,KIADB**

Sd/-,

**SRI KAUSHIK MUKHERJEE**  
**CMD, KSFC**