

Fifteenth Kerala Legislative Assembly  
Bill No. 230

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**THE KERALA INDUSTRIAL INFRASTRUCTURE  
DEVELOPMENT (AMENDMENT) BILL, 2024**

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**Bill No. 230**

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DEVELOPMENT (AMENDMENT) BILL, 2024**

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(AMENDMENT) BILL, 2024**

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*BILL*

*to amend the Kerala Industrial Infrastructure Development Act, 1993.*

*Preamble.*—WHEREAS, it is expedient to amend the Kerala Industrial Infrastructure Development Act, 1993 for the purposes hereinafter appearing;

BE it enacted in the Seventy-fifth year of the Republic of India, as follows:—

1. *Short title and commencement.*— (1) This Act may be called the Kerala Industrial Infrastructure Development (Amendment) Act, 2024.

(2) It shall come into force at once.

2. *Amendment of section 22.*— In the Kerala Industrial Infrastructure Development Act, 1993 (3 of 1993) (hereinafter referred to as the principal Act), in section 22, after sub-section (6) and before explanation the following sub-section shall be inserted, namely:—

“(7) If the competent authority has taken possession of the premises under sub-section (5) and the person has failed to make outstanding payment to the Corporation, the competent authority shall issue a notice calling upon him to make the payment and in case the person fails to do so within the time allowed by the competent authority, the Kerala Industrial Infrastructure Development Corporation shall take such action as deemed necessary on the assets of the industrial unit including transfer of undertaking along with the assets to another willing purchaser after conducting a valuation of assets by an independent approved valuer and sell the assets for realisation of the dues to the Corporation.”.

3. *Amendment of section 30.*— In the principal Act, in section 30,—

(i) in sub-section (1), for the words and symbols “shall, on conviction, be punished with fine which may extend to ten thousand rupees” the words and symbol “shall be liable to a fine, as may be prescribed” shall be substituted;

(ii) in sub-section (2), for the words “shall be punished with fine which may extend to five thousand rupees” the words and symbol “shall be liable to a fine, as may be prescribed” shall be substituted.

4. *Omission of section 42.*— Section 42 of the principal Act shall be omitted.

5. *Omission of section 43.*— Section 43 of the principal Act shall be omitted.

6. *Amendment of section 45.*— In the principal Act, in section 45, for the words and symbols “shall, on conviction, be punished with simple imprisonment for a term which may extend to three months or with fine which may extend to three thousand rupees or with both” the words and symbol “shall be liable to a fine, as may be prescribed” shall be substituted.

7. *Amendment of section 46.*— In the principal Act, in section 46, for the words and symbols “he shall, on conviction, be punished with imprisonment for a term which may extend to three months or with fine which may extend to three thousand rupees or with both” the words and symbol “he shall be liable to a fine, as may be prescribed” shall be substituted.

8. *Amendment of section 47.*—In the principal Act, in section 47, for the words and symbols “he shall, on conviction, be punished with simple imprisonment for a term which may extend to three months or with fine which may extend to five hundred rupees or with both” the words and symbol “he shall be liable to a fine, as may be prescribed” shall be substituted.

9. *Amendment of section 48.*— In the principal Act, in section 48, for the words and symbols “shall, on conviction, be punished with fine which may extend to one thousand rupees” the words and symbol “shall be liable to a fine, as may be prescribed” shall be substituted.

10. *Insertion of new section 48A.*— After section 48 of the principal Act, the following section shall be inserted, namely:—

“48A. *Power of Officers of Government to impose fine.*— (1) For the purpose of imposing fine provided under sections 30, 45, 46, 47 and 48 of this Act,

the Government may designate an officer not below the rank of a General Manager of the Corporation and he shall impose a fine as provided under this Act, after holding an enquiry in the manner, as may be prescribed.

(2) While holding enquiry, the officer shall have the power to summon and enforce attendance of any person acquainted with the facts and circumstances of the case to give evidence or to produce any document, which in the opinion of the officer, may be useful or relevant to the subject matter of the enquiry and if on such enquiry he is satisfied that the person has committed the offence, he shall impose a fine as provided under this Act.

(3) Any person aggrieved by an order made by the officer under sub-section (2) may prefer an appeal in such form and in such manner with such fee, as may be prescribed, before the appellate authority, who shall be the Managing Director of the Corporation, to be designated by the Government in this behalf within thirty days from the date on which such order is communicated to him:

Provided that the appellate authority may entertain the appeal after the expiry of the said period of thirty days, if such authority is satisfied that the appellant was prevented by sufficient cause from filing the appeal in time.

(4) The appellate authority may after giving the parties to the appeal an opportunity of being heard, pass such order as he thinks fit, confirming, modifying or setting aside the order appealed against, within a period of sixty days from the date of receipt of the appeal.”.

#### STATEMENT OF OBJECTS AND REASONS

In order to enable the effective implementation of the Ease of Doing Business initiatives in the State, the Kerala Law Reforms Commission, in its 19<sup>th</sup> Report recommended certain amendments to the Kerala Industrial Infrastructure Development Act, 1993 (3 of 1993). The Commission have recommended to impose penalty instead of existing penal provisions. The Government considered the recommendations and decided to make suitable amendments in the said Act. In addition to that, the Government have also decided to empower the Kerala Industrial Infrastructure Development Corporation to take necessary actions on the assets of the industrial unit for the realisation of outstanding dues to the

Corporation, if the competent authority has taken possession of the premises under sub-section (5) of section 22. For the above purposes, the Government have decided to make suitable amendments in the said Act.

The Bill is intended to achieve the above object.

#### FINANCIAL MEMORANDUM

The Bill, if enacted and brought into operation, would not involve any additional expenditure from the Consolidated Fund of the State.

#### MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 3 of the Bill, proposed to amend the principal Act seeks to empower the Government,—

(i) in sub-section (1) of section 30, to prescribe fine to any person who whether at his own instance or at the instance of any other person, undertakes or carries out construction of or alterations to, any building in an industrial estate or industrial area contrary to the terms under which he holds such building or land under the Act.

(ii) in sub-section (2) of section 30, to prescribe fine to any person who, uses any land or building in an industrial estate or industrial area contrary to the terms under which he holds such land or building under the Act or in contravention of the provisions of any regulations made in this behalf.

2. Clause 6 of the Bill proposed to amend section 45 of the principal Act seeks to empower the Government to prescribe fine to any person who obstructs the entry of a person authorised under section 32, to enter into or upon any land or building or who obstructs the lawful exercise by him of any power conferred by or under the Act.

3. Clause 7 of the Bill proposed to amend section 46 of the principal Act seeks to empower the Government to prescribe fine to any person obstructing any person with whom the Corporation has entered into a contract in the performance or execution by such person of his duty or anything which he is empowered or required to do under the Act.

4. Clause 8 of the Bill proposed to amend section 47 of the principal Act seeks to empower the Government to prescribe fine to any person who removes any mark set up for the purpose of indicating any level, boundary line or direction necessary to the execution of works authorised under the Act.

5. Clause 9 of the Bill proposed to amend section 48 of the principal Act seeks to empower the Government to prescribe fine to any person who obstructs the lawful exercise of any power conferred by or under Chapter VI.

6. Clause 10 of the Bill, proposed to be inserted in the principal Act seeks to empower the Government,—

(i) in sub-section (1) of section 48 A, to prescribe the manner of holding an enquiry for imposing fine ;

(ii) in sub-section (3) of section 48A, to prescribe the form, manner and fee for filing an appeal before the appellate authority.

The matters in respect of which rules may be made are matters of procedure and are of routine or administrative in nature. Further, the rules, are subject to scrutiny by the Legislative Assembly. The delegation of legislative power is, thus, of a normal character.

P. RAJEEVE

EXTRACT FROM THE KERALA INDUSTRIAL  
INFRASTRUCTURE DEVELOPMENT ACT, 1993  
(3 OF 1993)

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22. *Power to evict persons from Corporation Premises.*— (1) If the competent authority is satisfied—

(a) that the person authorised to occupy any Corporation premises has—

(i) not paid the rent lawfully due from him in respect of such premises for a period of more than two months; or

(ii) sub-let, without the permission of the Corporation, the whole or any part of such premises; or

(iii) otherwise acted in contravention of any of the terms, express or implied, under which he is authorised to occupy such premises; or

(b) that any person is in unauthorised occupation of the Corporation premises;

the competent authority may, notwithstanding anything contained in the Kerala Public Buildings (Eviction of Unauthorised Occupants) Act, 1968 (25 of 1968), by notice served by registered post, or by affixing a copy of it on the outer door of the building or some other conspicuous part of such premises, or in such other manner as may be prescribed, order that the person authorised to occupy as well as any other person who is in occupation of the whole or any part of the premises shall vacate them within one month of the date of the service of the notice.

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(6). If any person who has been ordered to vacate any premises under sub-clause (i) or (ii) of clause (a) of sub-section (1), within one month of the date of service of the notice or such longer time as the competent authority may allow, pays to the Corporation the rent in arrears or carries out or other-wise comply with the terms contravened by him to the satisfaction of the competent authority, as the case may be, the competent authority, shall, in lieu of evicting such persons under



sub-section (5), cancel its order made under sub-section (1), and thereupon such persons shall hold the premises on the same terms on which he held them immediately before such notice was served on him.,

*Explanation:—* For the purpose of this section, the expression "unauthorised occupation", in relation to any person authorised to occupy any Corporation premises, includes the continuance of occupation by him or by any person claiming through or under him of the premises after the authority under which he was allowed to occupy the premises has been duly determined.

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30. *Penalty for construction or use of land and buildings contrary to terms of holding:—* (1) Any person who, whether at his own instance or at the instance of any other person, undertakes or carries out construction of or alterations to, any building in an industrial estate or industrial area contrary to the terms under which he holds such building or land under this Act shall, on conviction, be punished with fine which may extend to ten thousand rupees.

(2) Any person who, uses any land or building in an industrial estate or industrial area contrary to the terms under which he holds such land or building under this Act or in contravention of the provisions of any regulations, made in this behalf, shall be punished with fine which may extend to five thousand rupees.

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42. *Authority for prosecution.—* Unless otherwise expressly provided, no Court shall take cognisance of any offence relating to property belonging to, or vested by or under this Act in the, Corporation punishable under this Act, except on the complaints of, or up upon information received from the Corporation or some person authorised by the Corporation by general or special order in this behalf.

43. *Compounding of offences.—* The Corporation may, for sufficient reason to be recorded in writing, compound any offence punishable under this Act.

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45. *Penalty for obstruction of entry etc.—* Any person who obstructs the entry of a person authorised under section 32, to enter into or upon any land or building

or who obstructs the lawful exercise by him of any power conferred by or under this Act shall, on conviction, be punished with simple imprisonment for a term which may extend to three months or with fine which may extend to three thousand rupees or with both.

46. *Penalty for obstructing persons from performing duty under contract.*— If any person obstructs any person with whom the Corporation has entered into a contract in the performance or execution by such person of his duty or anything which he is empowered or required to do under this Act, he shall, on conviction, be punished with imprisonment for a term which may extend to three months or with fine which may extend to three thousand rupees or with both.

47. *Penalty for removing marks etc.*— If any person removes any mark set up for the purpose of indicating any level, boundary line or direction necessary to the execution of works authorised under this Act, he shall, on conviction, be punished with simple imprisonment for a term which may extend to three months or with fine which may extend to five hundred rupees or with both.

48. *Penalty for obstructing exercise of powers under Chapter VI.*— Any person who obstructs the lawful exercise of any power conferred by or under Chapter VI shall, on conviction, be punished with fine which may extend to one thousand rupees.

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