

**THE
KARNATAKA
INDUSTRIAL AREAS DEVELOPMENT
RULES, 1966**

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¹ **THE
KARNATAKA INDUSTRIAL AREAS DEVELOPMENT
RULES, 1966**



In exercise of the power conferred by sub-section (1) of Section 40 of the Karnataka Industrial Areas Development Act, 1966 (Karnataka Act No.18 of 1966), the Government of Karnataka, hereby makes the following rules, the draft of the same having been published as required by sub-section (1) of the said section, in Notification No.CI 71 GMI 66, dated the 5th July, 1966, as No. GSR 1017 in Part IV, Section 2-C(i) of the Karnataka Gazette, dated 7th July, 1966, namely:-

**CHAPTER I
PRELIMINARY**

1. **Title.-** (1) These rules may be called the **Karnataka Industrial Areas Development Rules, 1966.**
2. **Definitions.-** In these rules, unless the context otherwise requires:-
 - (a) **“Act”** means the Karnataka Industrial Areas Development Rules, 1966;
 - (b) **“Form”** means a form appended to these rules;
 - (c) **“Nominated member”** means a member of the Board nominated under clause (e) of Section 6;
 - (d) **“Regulations”** means the regulations made by the Board under Section 41;
 - (e) **“Section”** means a section of the Act.

**CHAPTER II
Remuneration of members of the Board**

3. **Allowance and honorarium of members –** (1) A member shall be entitled to a compensatory allowance as follows, namely:-

²[(i) A setting fee at rate of Rs.250/- per day will be paid to Board Members for attending the meetings of the Board or any of its committees;]

- (ii) (a) A nominated member, who is not a Government servant, may draw travelling allowance as follows, namely:-

I	Railway accommodation	I Class
II	Incidental Charges, for Railway Journey	Six paise per mile
III	Road mileage	50 paise per mile
IV	Daily Allowance	Rs.15 per day

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1. Published in the Karnataka Gazette, dated 13-10-1966, vide Notification No.CI 71 GMI 66, dated : 04-10-1966.
 2. Clause (i) of sub-rule (1) substituted by GSR 25, dated : 30-05-1998, w.e.f. 16-12-1997.

- b) The members, including a nominated member who is a Government servant, shall be eligible to draw travelling allowance and daily allowance at such rates as may be admissible to them under the rules for the time being in force applicable to them as Government servants.

CHAPTER III

Condition for Borrowing by the Board

¹[**4. Limit on borrowing without previous consent of Government** – The Board may borrow money and mortgage or charge its undertaking the property (including in revenues) or any part thereof and issue debentures, debenture stock, notes and other securities whether outright or as security for any debt, liability or obligation of the Board or of any third party; Provided that the aggregate amount for the time being remaining undischarged money borrowed or secured as aforesaid by the Board exclusive of the temporary loans as aforesaid shall not at any time, without the previous consent of the State Government exceed a sum of rupees two hundred crores.]

5. Manner of issuing securities.– Every bond, obligation, debenture or other security issued by the Board for raising money or for securing money borrowed by or due from the Board shall be by a deed under the common seal of the Board and signed autographically by the Executive Member or any other Officer authorised by the Board in that behalf.

6. Register of securities to be kept.– A register of bonds, debentures and other securities shall be kept by the Board in which shall be entered the number and date of every such bond, debenture or other security and the sum secured thereby and the names of the parties thereto with their addresses and all other necessary particulars thereof.

7. Instruction which may be issued for Transfer of Securities.– The Board may from time to time issue instructions for controlling the transfer of any bond, debenture or other security as it may deem expedient, provided that no such instructions shall affect the holder or transferee of any bond, debenture or other security unless distinct notice of such instruction shall appear thereon.

8. Assigning or conveying property of Board for certain purpose.– The Board may, for the purpose of securing the payment of any such bonds, debentures or other securities as aforesaid, or the payment with interest of any money borrowed as aforesaid, or payable under any contract or otherwise, make and carry into effect any arrangement which the Board may deem expedient by assigning or conveying any property of the Board, including its revenues to trustees.

9. Debenture Ordinarily payable to bearer.– Unless otherwise resolved by the Board, any debentures which may be issued by the Board may be so framed that the principal money and interest thereby secured shall be payable to the bearer and free from any equities between the Board and the persons to whom the same may be issued.

1. Rule 4 substituted by GSR 120, dated 28-8-1995, w.e.f. 12-10-1995.

10. Approval of Government in the case of guarantees.- No security shall be issued or granted as a security in respect of which the payment of the principal and interest is guaranteed by the State Government, until the amount, price, rate of interest, date and method of issue of such security, the arrangements for the application of the proceeds of the issue and for the repayment of the proceeds have been previously approved by the state Government and no variation of any such arrangements shall be made without the like approval of the state Government.

CHAPTER IV

Annual financial statement and other statements and reports to be furnished by the Board and manner of maintaining accounts

11. Budget and programme of work.-(1) The annual financial statement shall be in Form 1 and the programme of work in Form 2.

(2) The Board shall also forward to the State Government with its programme of work a note giving a history and description of each scheme including *inter alia*, the progress made, expenditure incurred and sums secured in the previous years in respect of continuing schemes. The note shall, in particulars, bring out the financial implications of each scheme.

12. Manner and form of maintenance of accounts.- The accounts of the Board shall be prepared and maintained on commercial lines.

(1) The Board shall keep at its Head-office proper books of account with respect to.-

- (a) all moneys received by it;
- (b) all other transactions of a pecuniary nature;
- (c) assets and liabilities of the Board.

(2) The accounts of the Board shall be maintained in the double entry system in accordance with the principles of commercial accounting.

(3) The annual statement of accounts to be prepared by the Board and submitted to the Government under Section 24 shall be in Form 3.

13. Annual report and other returns.- (1) The other particulars which the annual report of the working of the Board to be submitted to the State Government under sub-section (3) (b) of Section 24 should contain shall be particulars regarding.-

- (a) Industrial Areas of Industrial Estate entrusted to the Board by the State Government;
- (b) Programme of work for the year under report;
- (c) Progress of work during the year with particular reference to.-
 - (i) land acquired;
 - (ii) development carried out;
 - (iii) amenities provided;
 - (iv) industries established in the Industrial Areas or Industrial Estate; and

- (v) details of any other activities entrusted to and undertaken by the Board under and in accordance with the Act;



- (d) finance for the Board;
- (e) changes, if any, in the constitution of the Board;
- (f) establishment under the Board and administration of its business;
- (g) direction given by the State Government to the Board for compliance;
- (h) stock taking of accounts showing expenditure, revenue liabilities and assets.

(2) The Board shall also submit to the State Government by the First day of November of each year a progress report based on its working and accounts of the first six months of the year.

CHAPTER V

Miscellaneous

14. Delegation of power of the State Government.- The power of the State Government under sub-section (2), (3), (6), (7) and (8) of section 28 and sub-section (1), (2) and (3) of Section 29 hereby delegated to the Assistant Commissioners in charge of Revenue sub-divisions within their respective jurisdiction ¹[or to the Special Land Acquisition Officers or the Additional Special Land Acquisition Officers in Karnataka Industrial Areas Development Board with such jurisdiction as the State Government may specify from to time:

Provided that where such powers are delegated to the Special Land Acquisition Officer, the Assistant Commissioner in-charge of Revenue sub-divisions shall cease to exercise the powers in the areas within the jurisdiction of the Special Land Acquisition Officer, or Additional Special Land Acquisition Officers, as the case may be.]

-FORMS-

1. Inserted by GSR 232, dated : 10-10-1983 w.e.f. 20-10-1983.

FORM 1*[See Rule 11(1)]***Annual Financial Statement****I. Budget Estimates of the Karnataka Industrial Areas Development Board****(REVENUE RECEIPTS)**

Sl. No.	Sub-head	Actuals for the previous three years	Budget for the current year	Revised estimates for the current year	Budget estimates for 19.. 19..	Remarks (Explanation for increase/decrease)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	Recoveries of Expenditure					
2.	Sale of Tender Forms					
3.	Recoveries of Fines, Etc., from Contractors					
4.	Hire Charges of tools and plants, supervision charges on sale of material and other similar receipts					
5.	Annual rent of the land leased					
6.	Annual rent of building					
7.	Forfeiture of deposits					
8.	Miscellaneous					
9.	Subventions from the State Government Deduct—Refunds Net-- Receipts					

**Budget Estimates of the Karnataka Industrial Areas Development Board
(REVENUE EXPENDITURE)**

Sl. No.	Sub-head	Actuals for the previous three years	Budget for the current year	Revised estimates for the current year	Budget estimates for 19.. 19..	Remarks (Explanation for increase/decrease)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
I-A.	Establishment (Administration) – (a) Pay of Officers (b) Pay of Establishment (c) Allowances and Honoraria (d) Contingencies Total					
I-B.	Establishment (Executive) – (a) Pay of Officers (b) Pay of Establishment (c) Allowances and Honoraria (d) Contingencies Total					
I-C.	Establishment (Accounts) – (a) Pay of Officers (b) Pay of Establishment (c) Allowances and Honoraria (d) Contingencies Total					
II	Pension and leave contribution					
III	Contribution of Board to the staff provident fund and other service funds					
IV	Interest on Capital (Rates of interest to be					

	stated)					
V	Expenditure connected with the issue of new loans					
VI	Depreciation --- (a) Special tools and plants (b) Vehicles (c) Buildings (d) Other items					
VII	Maintenance and repairs – (a) Repairs to tools and plants to (Special) (b) Repairs to tools and plants to (Ordinary)					
VIII	Municipal and other taxes --					
IX	Miscellaneous expenditure – Net expenditure on Revenue Account					
	Total					

III Budget Estimates of the Karnataka Industrial Areas Development Board

(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	Balance with the Board as on the beginning of the year					
2.	Loans from Government during the year					
3.	Other loans (Public or Private)					
4.	Sale of Plots					
5.	Sale of Building					
6.	Other Capital Receipts					
7.	Suspense Accounts					
	Total					

**IV. Budget Estimates of the Karnataka Industrial Areas Development Board
(Capital; Account Expenditure)**

Sl. No.	Sub-head	Accounts for last year	Budget for the current year	Revised estimates for the current year	Budget estimates for 19.. 19..	Remarks (Explanation for increase/decrease)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
*1.	Works in Progress					
*2.	Cost of land					
*3.	(a) New Works exclusive cost of land (b) Cost of land					
4.	Establishment charges transferred from revenue account charged to capital					
5.	Tools and Plants					
6.	Amount transferred to Depreciation fund					
7.	Amount transferred to other funds					
8.	Suspense Account					
	Total					

* The details of each scheme should be given in part V

V. Budget Estimates of the Karnataka Industrial Areas Development Board
Details of Work - In Progress - New Works

Sl. No.	Name of Scheme	Items of capital expenditure	Estimated cost of the work	Expenditure to the end of last year	Account for the last year before last	Budget for the current year	Revised estimates for the current year	Budget estimates for 19.. 19..	Remarks (Explanation for increase/decrease)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1.	Land Acquisition								
2.	Survey and Demarcation								
3.	Roads								
4.	Water Works – (a) Head Works (b) Pipelines								
5.	Drainage – (a) Drainage lines (b) Drainage disposal plants								
6.	Electricity – (a) Laying out underground cables (b) Street Lighting								
7.	Buildings								
8.	Bridges								
9.	Railway sidings								
	Total								

FORM 2
[See Rule 11(1)]
Annual Programme of Work

Sl. No.	Name of the Scheme	Estimated cost of the work	Estimated expenditure in the year for which programme is proposed	Estimated receipts	Salient features, Amenities and facilities to industries
(1)	(2)	(3)	(4)	(5)	(6)

FORM 3
Income and Expenditure account of the Karnataka Industrial Area Development Board
for the year ended

Expenditure			Receipts		
	To	Rs.		By	Rs.
A.	(i) Maintenance and repairs – (a) Repairs to Tools and Plant (special) (b) Repairs to Tools and Plant (ordinary) (c) Annual repairs and maintenance of buildings (d) Repairs and maintenance of Vehicles (ii) Miscellaneous expenditure – (a) Law charges (b) Others			A. Recoveries of overpayments B. Sale of tender forms C. Recoveries of fines from contractors D. Hire charges of tools and plant supervision charges on sale of material and other recoveries E. Annual rent land leased by the Board F. Rents of Buildings G. Rents from Industrial Estates	
B.	Construction expenses – (i) Establishment Rs. (ii) Contingencies Rs. <div style="text-align: right;">Total</div> per cent less transferred to the Development expenditure.			H. Gains on disposal of land I. Grants from Government J. Forfeiture of deposits K. Fees, charges, etc., L. Water and electricity supply M. Miscellaneous	

FORM 3
(Continued)

Expenditure	Receipts
<p>C. Administrative Expenses –</p> <p style="text-align: right;">Rs.</p> <p>(a) Salaries & allowances</p> <p>(b) Travelling allowance</p> <p>(c) Contingencies</p> <p>(d) Contribution to staff Provident fund and other service funds</p> <p>(e) Leave and pension contribution</p> <p style="text-align: right;">Total</p> <p>Less% transferred to Development Board</p>	<p style="text-align: right;">Rs.</p>
D. Water Supply and electricity charges --	
<p>E. Depreciation –</p> <p>(a) Special tools and plant</p> <p>(b) Vehicles</p> <p>(c) Buildings</p> <p>(d) Other items</p>	
To	
<p>F. Special Charges</p> <p>(a) Insurance</p> <p>(b) Advertisement</p> <p>(c) Rents, rates and taxes</p> <p>(d) Printing and stationery</p> <p>(e) Postage</p> <p>(f) Others</p>	
G. Board expenses –	

(a) Compensatory allowance (b) Travelling allowance	
H. Interest on loans, debentures, etc., --	
I. Expenditure connected with the raising of new loans and issue of debentures --	
J. Miscellaneous --	

Balance Sheet of the Karnataka Industrial Area Development Board as on

Liabilities	Assets
Rs.	Rs.
I. Secured loans (a) Loans borrowed from banks (b) Debentures, notes, securities, etc., (c) Others	I. Fixed Assets (Name of Industrial Area) Industrial Estate 1. Land 2. Buildings As per schedule 3. Railway sidings
II. Unsecured loans (a) Loans and advances from the State Government (b) Loans raised in the open market (c) Deposits (i) From Public (ii) From Government (d) Cash credits and overdrafts (e) Others	II. (a) Development of Industrial Areas and Estates (b) Development of other schemes
III. Current liabilities 1. Sundry creditors 2. Rents recovered in advance 3. Interest accrued and due but not paid 4. Provision for taxation 5. Provident Fund	III. Investments (a) Government Securities (b) Others

IV. Reserves	IV. Current Assets Loans and advances (A) (1) Stores and building materials (2) Loose tools (3) Vehicles (4) Amounts due from State Government (5) Sundry debtors (6) Advances recoverable (Rates, taxes, insurances, etc.,) (7) Interest secured on Investments (8) Cash on hand (9) Cash at Bank
V. Net surplus	V. Miscellaneous VI. Net Deficit
Total	Total

¹**THE
KARNATAKA
INDUSTRIAL AREAS DEVELOPMENT (AMENDMENT)
RULES, 1975**

In exercise of the powers conferred by sub-section (1) of Section 40 of the Karnataka Industrial Areas Development Act, 1966 (Karnataka Act No.18 of 1966), the Government of Karnataka intends to make the following Amendments to the Karnataka Industrial Areas Development Board Rules, 1966.

1. **Title and commencement.**-(1) These rules may be called the **Karnataka Industrial Areas Development (Amendment) Rules, 1975.**
(2) They shall come into force at once.
2. **Amendment of Rule 3.**- In clause (i) of sub-rule (1) of Rule 3 of the Karnataka Industrial Areas Development Rules, 1966, for the figures “20”, the figure “50” shall be *substituted*.

²**THE
KARNATAKA
INDUSTRIAL AREAS DEVELOPMENT (AMENDMENT)
RULES, 1983**

In exercise of the powers conferred by Section 40(1) of Karnataka Industrial Areas Development Act, 1966 with the previous approval of the State Government hereby makes the following order, further to amend the Rule 14 of the Karnataka Industrial Areas Development Rules, 1966.

1. **Title and commencement.**-(1) These rules may be called the **Karnataka Industrial Areas Development (Amendment) Rules, 1983.**
(2) They shall come into force on the date of their publication in the Official Gazette.
2. **Amendment of Rule 14.**- In Rule 14 of the Karnataka Industrial Areas Development Rules, 1966, after the words “within their respective jurisdiction”, the following shall be *inserted*, namely.-

“Or to the Special Land Acquisition Officers or the Additional Special Land Acquisition Officers in the Karnataka Industrial Areas Development Board with such jurisdiction as the State Government may specify from time to time.

-
1. Published in the Karnataka Gezette, dated : 11-12-1975, vide Notification No. CI 77 FDB 74, dated : 04-12-1975.
 2. Published in the Karnataka Gezette, dated : 20-10-1983, vide Notification No. CI 319 SPQ 82, dated : 10-10-1983.

Provided that where such powers are delegated to the Special Land Acquisition Officer or the Additional Special Land Acquisition Officer, the Assistant Commissioner in-charge of the Revenue Sub-Division shall cease to exercise the powers in the areas within the jurisdiction of the Special Land Acquisition Officer or the Additional Special Land Acquisition Officer, as the case may be.”

¹**THE
KARNATAKA
INDUSTRIAL AREAS DEVELOPMENT (AMENDMENT)
RULES, 1987**

In exercise of the powers conferred by sub-section (1) of Section 40 of the Karnataka Industrial Areas Development Act, 1966 (Karnataka Act No.18 of 1966), the Government of Karnataka intends to make the following Amendments to the Karnataka Industrial Areas Development Board Rules, 1966.

- 1. Title and commencement.-(1)** These Rules may be called the **Karnataka Industrial Areas Development (Amendment) Rules, 1987.**

(2) They shall come into force at once.

- 2. Amendment to Rule 3.-** The existing clause (i) of sub-rule (1) of Rule 3 of the Karnataka Industrial Areas Development Rules, 1966, shall be *substituted*, by the following.-

“(i) A sitting fee of an amount equivalent to the Daily Allowance as may be approved by Government from time to time per day on which a member attends a meeting of the Board or any of its committee.”

²**THE
KARNATAKA
INDUSTRIAL AREAS DEVELOPMENT (AMENDMENT)
RULES, 1995**

In exercise of the powers conferred by Section 40(1) of Karnataka Industrial Areas Development Act, 1966 with the previous approval of the State Government hereby makes the following order, further to amend the Rule 4 of the Karnataka Industrial Areas Development Rules, 1966.

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1. Published in the Karnataka Gazette, dated : 24-12-1987, vide Notification No. CI 67 SPQ 87, dated : 29-10-1987/07-11-1987.
 2. Published in the Karnataka Gazette, dated : 12-10-1995, vide Notification No. CI 160 SPQ 92, dated : 28-08-1995.

1. **Title and commencement.**-(1) These rules may be called the **Karnataka Industrial Areas Development (Amendment) Rules, 1995.**

(2) They shall come into force from the date of their publication in the Official Gazette.

2. **Substitution of Rule 4.**- For Rule 4 of the Karnataka Industrial Areas Development Rules, 1966, the following rule shall be *substituted*, namely.-

“4. Limit on borrowing without previous consent of Government. – The Board may borrow money and mortgage or charge its undertaking and property (including its revenues) or any part thereof and issue debentures, debenture stock, notes and other securities whether outright or as security for any debt, liability or obligation of the Board or of any third party; Provided that the aggregate amount for the time being remaining undischarged of money borrowed or secured as aforesaid by the Board exclusive of the temporary loans as aforesaid shall not at any time, without the previous consent of the State Government exceed a sum of rupees two hundred crores.”

¹**THE
KARNATAKA
INDUSTRIAL AREAS DEVELOPMENT (AMENDMENT)
RULES, 1998**

In exercise of the powers conferred by sub-section (1) of Section 40 of the Karnataka Industrial Areas Development Act, 1966 (Karnataka Act No.18 of 1966), the Government of Karnataka intends to make the following Amendments to the Karnataka Industrial Areas Development Board Rules, 1966.

1. **Title and commencement.**-(i) These Rules may be called the **Karnataka Industrial Areas Development (Amendment) Rules, 1998.**

(ii) They shall come into force w.e.f. 16th December, 1997.

3. **Amendment to Rule 3.**- In the existing clause of sub-rule (1) of Rule 3 of the Karnataka Industrial Areas Development Rules, 1966, the following shall be *substituted* .-

“(i) A sitting fees at the rate of Rs. 250/- per day will be paid to the Board Members for attending the meetings of the Board or any of its committees.”

1. Published in the Karnataka Gezzette, dated : 02-07-1998, vide Notification No. CI 33 SPQ 98, dated : 30-05-1998.