

Scheme for Settlement of Demand of additional premium made to lessees by Rubber Park India P Ltd

Introduction

Rubber Park India P Ltd - a Joint Venture Company of Rubber Board and KINFRA had established a Rubber Park at Irapuram in 107 acres of land.

As the Govt. used to pay only compensation based on market value under the Land Acquisition Act as assessed by the revenue authorities at the time of acquisition, the land owners used to approach the Court for enhancement of the compensation. Hence Rubber Park was not in a position to arrive at a fixed development cost/ lease premium. Accordingly the Park had fixed the development cost/lease premium based on the acquired value and allotted land to various entrepreneurs with a provision in the Lease Deed/Manual of Instructions/Memorandum of Understanding for collection of enhanced compensation to be paid to previous land owners on a proportionate basis.

The previous land owners disputed the valuation and contested the same before the Courts. Finally Rubber Park India P Ltd became liable to pay the previous owners at the rates fixed by the Courts. Based on the Court orders, Rubber Park paid compensation to the previous land owners and in turn demanded the additional development cost / lease premium from the lessees @ Rs.15,700/- per cent in January 2014. The due date of payment was 04.03.2014 and interest @ 16.5% p.a was to be charged for delayed payments. Only a few lessees settled the demand in full, some have settled a small portion of the demand and some lessees requested for instalments for settlement. Since the non payment of demand is in violation of the terms and conditions of the lease deed, Rubber Park India P Ltd had issued lease cancellation notice to the lessees who had not settled the additional demand due to land acquisition cases.

Rubber Park India P Ltd is not in a position to issue any certificate or NOC to the entrepreneurs for availing/renew/enhancing financial assistance from bank/licence from statutory bodies etc due to non payment of demands. This will affect the smooth/ hassle free operation of the industry. The non payment of demand will also affect the financial stability of Rubber Park India P Ltd. Certain lessees in Rubber Park India P Ltd has approached the company for waiver of

interest and an instalment scheme for the settlement of the additional demand.

Considering all the above facts, the Board of Directors of Rubber Park India P Ltd decided to implement a one time settlement scheme as below towards the settlement of demand towards the land acquisition cases without interest in 12 equal monthly instalments.

Details

1. This will be a non-discretionary and non-discriminatory scheme, applicable to lessees of Rubber Park India P Ltd (hereinafter known as Rubber Park) at Irapuram, Ernakulam District, Kerala State only.

2. The scheme would be open for 3 months from 1st August 2017.

3. Applicability:

Only lessees of Rubber Park at Irapuram, Ernakulam District, Kerala State will be eligible to be considered under the Scheme.

4. Eligibility for the Scheme

a) The lessees of Rubber Park at Irapuram, Ernakulam District, Kerala State are eligible for the benefit of the Scheme.

b) Lessees in respect of which cases are pending before Court area also eligible, where in judgement or final order is not passed.

c) Only demand towards additional compensation together with GST as applicable towards the land acquisition cases made by Rubber Park will be considered under this scheme.

d) No other dues/ demands can be clubbed under this scheme.

5. Settlement

a. The scheme would be applicable to all the lessees at Rubber Park, Irapuram wherein the lessees could settle the demand towards additional compensation towards the land acquisition cases without interest in 12 equal monthly instalments.

- b. The scheme would be open for 3 months from 1st August 2017 and this can be utilized only for settling the demand towards additional compensation on account of the land acquisition cases.
- c. The lessee has to make an application in the prescribed form together with a deposit of 5% of the demand calculated at the rate of Rs.15,700/- per Cent of the extent of land leased out to the lessee together with GST as applicable failing which the application will not be processed.
- d. The lessee has to pay the balance amount in twelve equal monthly instalments from the date of intimation by Rubber Park.
- e. If the amount of settlement is not remitted in installments as agreed the settlement will stand cancelled. Rubber Park shall take appropriate actions for recovery of the entire amount due from the lessee and for enforcement of its rights as the lessor.
- f. In the case of lessees who had already paid the demand towards additional compensation in land acquisition cases in full along with interest, the interest so paid would be refunded.
- g. In the case of lessees who had made part payment and interest (if any) towards the demand for additional compensation in land acquisition cases, the same would be treated as paid against the demand.
- h. In the case of lessees whose refunds of any kind is adjusted by Rubber Park towards part payment/ interest towards the demand for additional compensation in land acquisition cases, the same would be treated as paid against the demand.
- i. The Managing Director of Rubber Park shall deal with all doubts or disputes in respect of this settlement scheme.