RAJASTHAN STATE INDUSTRIAL DEVELOPMENT AND INVESTMENT CORPORATION LIMITED

Minutes of 2/2017—Infrastructure Development Committee
Venue Udyog Bhawan, Jaipur.
Date 28th April 2017
Commencement/Completion time of meeting 3.00 P.M./4.15 P.M.

Present:
Shri Umesh Kumar Chairman
Ms. Mugdha Sinha MD, RIICO
Shri Anoop Khinchhi MD, RFC

All the above directors were present throughout the meeting.

Shri D.K. Sharma, Secretary was in attendance. Shri Sanjay Solanki, Financial Advisor; Shri Vijay Pal Singh, Advisor (Infra.); Shri D.P. Jatav, GM (Civil), Shri S.K. Gupta, Sr. DGM (P&D) and Shri D.K. Sharma, Sr. DGM (P&D) were also present.

Quorum: The Chairman was present. As the quorum was present, the meeting was called to order.

Item 1: To note the minutes of the last meeting of the Committee held on 23rd March 2017.

The minutes of the last meeting of Committee held on 23rd March 2017 were noted.

Item 2: Action Taken Report on the decisions of the previous meeting of the Committee held on 23rd March 2017.

The Committee noted the position. As regards, matter of land allotted to RSIC (Item 2(3)), the Committee directed that a concept paper be prepared in consultation with FICCI/CII.
Item 3: **Insertion of a new proviso in RIICO Disposal of Land Rules, 1979 related to Allotment of Land prior to opening of industrial area.**

The Committee discussed the agenda and accorded approval for insertion of new Rule 3(AD) of RIICO Disposal of Land Rules, 1979, as under:

**Rule 3 (AD): Allotment of industrial land in industrial areas which are not launched.**

1. Allotment of reserved industrial land prior to opening of industrial area may be considered in those industrial areas, which fulfill the following conditions:

   (i) The possession of land is already available with the Corporation;

   (ii) The planning of the area has been approved by the Competent Authority;

   (iii) Environment Clearance (EC) and Consent to Establish (CTE) of the area has been obtained;

   (iv) Rate of allotment is fixed.

2. **Modalities for allotment of land will be as under:**

   (i) Allotment of land may be considered only for the projects envisaging minimum fixed capital investment of Rs. 50.00 crores and above;

   (ii) An advertisement may be issued in one national level daily and one state level daily news paper for wide publicity about inviting application from interested parties for allotment in said industrial area. The advertisement shall contain the name of area, prerequisite payment to be deposited, available land area, nature of permissible industries etc. This advertisement will also be uploaded on RIICO website and shall remain on the website till industrial area is opened for allotment or allotment /reservation up-to 50% of saleable area is completed, whichever is earlier.

   (iii) Any application received before issuance of aforesaid public notice, shall not be entertained by the Corporation.
(iv) The applications shall be accompanied with pre-requisite payments such as 1% security money, non-refundable application fee and 25% premium amount to be calculated at the rate of allotment fixed for industrial area concerned. However, if any upfront rebate in rate of allotment is admissible under any scheme/policy/rules than same would be allowed.

(v) Validation of the presumption of the application about the land requirement, likely investment in the proposed project, suitability of the proposed project in the area concerned etc. may be made by the in-house Land Allotment Committee headed by Managing Director as is constituted for appraisal of the applications under rule 3(W) for preferential allotment of land after opening of industrial area.

(vi) The applications will be placed before the IDC for approving allotment of land.

(vii) Allotment of land may be considered only up-to 50% of the saleable area of the industrial area concerned or 50% of saleable area of each zone, in case area concerned is planned in different zones, including area of reservation of land already made in that industrial area or zone, as the case may be.

(viii) Possession of land will be given to such allottees prior to opening of the industrial area subject to payment of balance 75% premium amount and other applicable charges within 120 days from date of allotment.

(ix) The allotment of land may be considered with a specific condition that allottee shall undertake in writing to the effect that he shall not demand for providing infrastructure facilities prior to declaring the industrial area as developed and will consent to payment of all applicable charges and taxes.

(x) Other terms and conditions will be as per RIICO Disposal of Land Rules, 1979 (as amended from time to time).

The Committee also accorded approval for inserting a suitable provision after existing provisions of 2 (IX) of Rule 3(AB) of RIICO Disposal of Land Rules, 1979, as under:
Provided, in case allotment process has been started as envisaged under Rule 3 (AD) and applicant is interested in getting allotment of reserved land prior to opening of industrial area with requisite payment towards land premium then letter of allotment can be issued with the approval of IDC prior to opening of industrial area on the terms and conditions as envisaged under rule 3(AD).

**Item 4: Policy for allotment of land on lease/sub-lease basis to Trusts/SPVs for setting up of ZLD based CETPs towards environmental compliance by the industries located in industrial areas set up by RIICO.**

The Committee discussed the agenda and accorded approval for amending rule 3(G)-20 for allotment of land for CETPs to be replaced by the following provisions for allotment of land for CETP/ZLD based CETP to the Trusts/SPVs:

(A) **Methodology of Planning of Land:**

   (a) **Greenfield Industrial Areas** – In upcoming industrial areas, land shall be planned and earmarked for setting up of CETP as part of the scheme of the industrial area.

   (b) **Brownfield Industrial Areas** – For existing industrial areas where sufficient/suitable land is not available for setting up of new CETPs/ expansion/ up-gradation, then land will be acquired by RIICO or it will be got allotted from District Administration or leased from Local Authority.

(B) **Area of Land:** 5 acres for 5 MLD CETP

   10 acres for 10 MLD CETP

   and extra 2 acres for ZDL based CETP.

(C) **Modalities of Land Allotment:**

   (i) Allotment of land to Trusts/SPVs will be made on lease/sub-lease basis, as the case may be, for an initial period of 31 years subject to condition that it will be renewed for further period as mutually decided by RIICO and Trust/SPV.

   (ii) Allotment of land will be made at a token premium amount of Rs. 1/-, irrespective of type of industries. The actual land premium paid by RIICO against either...
acquired or allotted or leased land shall be treated as RIICO's contribution for making industrial areas environment friendly.

(iii) No annual service charges will be levied upon the Trusts/SPVs by RIICO. However, Economic Rent shall be paid by Trusts/SPVs as per Rules and any other charges applicable in GST regime.

(iv) Trusts/SPVs shall pay other Taxes/Duties/cess/ water charges/ electricity charges etc. as applicable/imposed from time to time by Corporation/ other statutory bodies. RIICO shall not be liable to make payment of such amount in any manner.

(v) Trusts/SPVs and its member industries shall abide by all the orders/ directions pronounced by various Courts/ NGT/ Tribunals and also abide by all the Acts/Rules/ Regulations/ Guidelines/Orders of State/Central Government/MoEF /CPCB / RSPCB/ CGWA/ and all other statutory agencies.

(vi) No change of land use of the allotted land shall be permitted and the land will be used by Trusts/SPVs exclusively for the purpose of setting up CETP.

(vii) No change in shareholding of the Trusts/SPVs will be permitted without prior permission of the Corporation.

(viii) Trusts/SPVs will be allowed to mortgage the allotted land by deposition of title deed in favour of the Financial Institution for obtaining financial assistance. However, in the cases of land given on sub-lease basis to Trusts/SPVs where land has been leased to the Corporation by Local Authorities, then prior permission for mortgaging the sub-lease will be obtained from concerned Authorities.

(ix) The period for utilization of allotted land:

(a) If land to be leased by RIICO – Completion of construction and operation of CETP within 3 years from the date of handing over of possession or from the date of issuance of final allotment letter, whichever is later.
(b) If land to be sub-leased by RIICO - Completion of construction and operation of CETP within the period as stipulated in the allotment letter/lease deed of land to RIICO by the Local Authority. However, if time extension is required beyond this period for any reason then it will be allowed with prior permission of the Local Authority concerned.

The terms and conditions imposed by local authority concerned at the time of allotment shall mutatis-mutandis shall apply on Trust/SPV.

(x) Other modalities of land allotment can be decided by the Managing Director, if required, from time to time.

The Committee further decided that, in case of existing CETPs wherein land is allotted by RIICO to the Trust/Society and as per the RSPCB guidelines, SPV is to be formed to take over such CETPs, transfer of leasehold rights in favour of SPVs can be considered without payment of any transfer charges to the Corporation. However, stamp duty etc. will be borne by the SPVs for such conveyance.

The Committee also decided that land area be kept one acre per one MLD capacity of CETP + 2 acres for ZLD CETP. Initially provisional allotment of the land will be made which shall be valid for two years and final allotment shall be subject to submission of DPR, Environment Clearance and Consent to Establish from the competent authority/department.

**Item 5:** To extend the Special Scheme for allowing upfront rebate in rate of allotment for setting up industries in non-saturated industrial areas envisaging investment of Rs. 100 crores & above.

The Committee discussed the agenda and accorded approval for:

(i) For extending the Special Scheme (Notified vide Office Order 19/2015 dated 9.7.2015) up to financial year 2019-20. The scheme be reviewed at the end of its validity first by the Land Allotment Committee and its recommendations be placed before IDC for decision.
(ii) For extending the benefit of the referred Special Scheme on any type of industrial plot allotments irrespective of it being made either under rule 3(W) or any other provisions of RIICO Disposal of Land Rules, 1979 in non-saturated industrial areas during financial year 2015-16 & 2016-17 and also up to 31.3.2020, subject to condition that they have envisaged an investment of Rs. 100 crore or more in phase-I and they have also not availed 25% upfront rebate at the time of allotment as well as also subject to not availing any other benefit of Backend/ Continuous Production Incentive.

(iii) For allowing an applicant/ Allottee to select any one scheme of rebate/incentive from the following three available schemes due to allotment of land in non-saturated industrial areas;

(a) Upfront rebate scheme
(b) Back-end Incentive under rule 3(W)
(c) Continuous Production Scheme.

The Committee also directed that Land Allotment Committee shall also make yearend review of all such similar schemes.

**Item 6:** To authorize Managing Director for allotment/reservation of land in upcoming industrial areas during Business Meets of RIICO.

The Committee discussed the agenda and authorized the Managing Director of the Corporation to make 'provisional' reservation/allotment of land during the Business Meets to be organized by RIICO for the Financial Year 2017-18 by relaxing the provisions of relevant policy/rules i.e. rule 3 (AB) and as per new rule 3 (AD), as under:

(i) Reservation of land in those industrial areas which are notified through advertisement in newspaper for reservation of land subject to condition that reservation of land will be limited i.e. up to 50% of total saleable area.

(ii) Allotment of land in those industrial areas which are notified for allotment of land prior to opening of industrial area for general allotment subject to total reservation/allotment of land will be limited i.e. up to 50% of total saleable area.
(iii) The aforesaid reservation or approval of allotment of land, as the case may be, would be made on provisional basis. However, final reservation letter or final allotment letter, as the case may be, would be issued by the concerned unit office after assessment of land area requirement and proposed investment committed by the applicant by Committee constituted in this regard. This exercise shall be completed as soon as possible but not later than one month from the date of receiving of application.

Such reservation/allotment shall be put up before IDC for information.

Item 7: For approval to advertise Government land already allotted/likely to be set-apart having area less than 25 hectares for seeking interest of entrepreneurs in allotment of undeveloped land for industrial/institutional/commercial project.

The Committee discussed the agenda and accorded approval to invite Expression of Interest from potential entrepreneurs who may be keen to set up exclusively industrial or institutional projects, but other than residential use, on small chunk of industrial land on undeveloped basis having area less than 25 ha., by issuing advertisement in one National and one State Level news paper. The Committee directed that no right will accrue to any applicant merely on submission of EOI.

The Committee also directed that the definition of industrial area be reviewed in-house and put up to the Committee for decision so that a view may be taken on the rider of 15% of non-industrial use of total scheme area.

Item 8: Policy decision regarding refund/forfeiture of keenness money deposited at the time of application for preferential allotment land under rule 3(W)/reservation of land in industrial areas under rule 3(AB) and allotment of land for educational institutes under rule 3(E).

The agenda item was withdrawn.

Item 9: Reservation of land in favour of Capstone Polyweave Pvt. Ltd. at industrial area Karoli, Distt. Alwar.

The Committee discussed the agenda and accorded approval to reserve 60000 sqm. (approx.) land in favour of Capstone Polyweave Pvt. Ltd. in General Zone at Industrial Area, Karoli, District Alwar.
The Committee noted that following agenda item was placed on the table with the permission of the Chair, therefore, the Directors present in the meeting unanimously agreed to waive the minimum notice period, take up this item for consideration and approved unanimously:

**Item 10: Delegation of Powers to Unit Heads for disposal of pending matters related to time extension for delay in commencement of activities on the allotted plots during "Special Drive" to be organized from 01.06.2017 to 30.06.2017.**

The Committee discussed the agenda and accorded approval to delegate the powers conferred presently under Rule 23-C (1.1) with Managing Director, to Unit Heads during Special Drive to be organized from 01.06.2017 to 30.06.2017.

The Committee also directed that suitable amendments in Rule 23-C be put up before the Committee after the referred drive.

The meeting concluded with a vote of thanks to the Chair.

Date: 18-05-2017
Place: Jaipur.