RAJASTHAN STATE INDUSTRIAL DEVELOPMENT AND INVESTMENT CORPORATION LIMITED

Minutes of : 4/2017–Infrastructure Development Committee
Venue : Udyog Bhawan, Jaipur.
Date : 29th August 2017
Commencement/Completion time of meeting : 3.00 P.M / 8.05 P.M.

Present :
Shri Rajeeva Swarup Chairman
Shri Kunji Lal Meena Commissioner Industries
Ms. Mugdha Sinha MD, RIICO
Dr. Tina Soni Commissioner (Inv. & NRI)
Shri Anoop Khinchi MD, RFC

All the above directors were present throughout the meeting.

Shri D.K. Sharma, Secretary was in attendance. Ms. Anupama Sharma, Financial Advisor; Shri Vijay Pal Singh, Advisor (Infra.); Shri Anil Sharma, Chief General Manager (BP), Shri Rajan Kapoor, GM (Civil), Shri R.K. Limba, AGM (Finance); 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.

The Committee noted that agenda items were circulated at a notice period of less than seven days, therefore, all the members present in the meeting unanimously agreed to waive the minimum notice period requirement, take up these items for consideration and approved unanimously.

Item 1: To note the minutes of the last meeting of the Committee held on 19th July 2017.

The minutes of the last meeting of Committee held on 19th July 2017 were noted.

Item 2: Action Taken Report on the decisions of the previous meeting of the Committee held on 19th July 2017.

The Committee noted the position brought out in the agenda note. The Committee made following specific observations/directions:
1. **Item 2(1)** regarding Appointment of Consultant for Development of Infrastructures at Industrial Area Salarpur, Bhiwadi:

   - Factual Report about compliance under RTPP Act in respect to this item be checked.
   - Whether the provisions/fact that the tender to be approved by the competent authority within the prescribed timeline as per RTPP Act was mentioned/observed at different levels?
   - If it is in violation of the laid down time limit, comments on system failure be made.
   - A report in this regard is to be placed before the Chairman of IDC within 10 days from the date of release of minutes and be also informed to IDC in its next meeting.

2. **Item 2(3)** regarding recommendations about encroached land: This will be a regular item in subsequent meetings of IDC. It was directed that efforts be made particularly in respect of the 87.11 ha land, especially 45.19 ha in Alwar district and 22.15 ha in Jaipur recommended by the SDO Committee as “Area from which encroachment can be removed.” While the action for actual removal would be done post monsoon, all required preparatory work be got done by RIICO in this period, in consultation with the district revenue officials. The Committee may be apprised of the action taken in this regard also.

3. **Item 2(4)** regarding inviting Expression of Interest of small chunk of land and review of definition of 'Industrial Area' : The Committee observed that references are being made by RIICO directly with other Departments of the State Government. The Chairman reiterated for strict compliance that Corporation shall not correspond directly with any Department in the State Government in future wherein any clarification is sought, either as direct letter or endorsement of copy of letter sent to the Administrative Department i.e., Industries Department. All such references shall be only through the Administrative Department.

   The policy for allotment of undeveloped land be also finalized in next 15 days and be placed before the Board in its next meeting.
Item 3: Review of the existing policy for allotment of industrial plots pertaining to "First Come First Serve" basis linking it to investment & project criteria in unsaturated industrial areas.

In compliance of the decision taken in the last meeting, a presentation on the existing policy for allotment of industrial plots and the proposed amendments therein was made before the Committee. In addition to the reasons stated in the agenda note, MD informed that during the last Business Meet held in Delhi in May 2017, there is a list of 33 investors who were ready to have land allotted, but on account of the existing Land Allotment Rules, they were unable to allot the specific plots selected by the investor. Similarly, there are innumerable cases where walk-ins come to the head office and meet the MD but there is no way that they can be allotted land on account of existing Rules.

The Committee discussed the agenda at considerable length and deferred consideration with the following observations:

1. The Committee was not convinced that the existing Land Allotment Rules inhibit ready allotment of vacant industrial plot to any investor seeking allotment. Till saturation is reached, the policy of first-come-first-serve exists, which addresses the issue. In fact, at the last meeting, the Committee had raised the limit for the Industrial Area to be declared “saturated”, which increases the scope of plots available on first-come-first-serve basis.

2. The provision for draw of lots has been incorporated, for the very initial stage when the industrial area is first opened up for allotment. However, its implementation may be faulty wherein unit heads offer plots for draw of lots in phases and in piece-meal manner. There seems no justification for this. The procedure may be reviewed and streamlined.

3. The Committee expressed concern at the amendment proposed and expressed the fear that such rigid examination of even proposals for land allotment of investment below Rs. 50 crores and plot size of more than 2000 sqm., presently which could be allotted at the Unit level, and are now being proposed to be examined by an Appraisal Committee of 8 officers at head office, and thereafter further by the Sub Committee of the IDC of the Board are indicative of excessive centralization and would drive away investors from the State. Moreover, there is a contradiction between the present economic scenario of recession indicated in the agenda item and the solution suggested, which is reverse. Instead, thinking should be more on...
lines of how the procedure of land allotment can be made easier for the investors.

4. The Committee directed that a simplified system of allotment, that addresses the practical problems being experienced at the Unit / Investor level, if any, as well as in terms of speedy allotment of land to interested investor, with minimal time limits to complete the entire allotment process, and keeping in view the concept of Ease of Doing Business, be formulated and be put up within the next 15 days for decision of the IDC.

5. The Committee further observed that Corporation currently professes an on-line land allotment system; however, the system is not in sync with its projection. A generic system of online allotment of plots and payment, somewhat on lines of airline seat reservation, be formulated latest by 30th October, 2017 and put up for approval.

**Item 4:** Amendment in existing Rule 3 (G)-10 related to allotment of land to PHED for erection of water-supply scheme.

The Committee discussed the agenda and accorded approval to amend existing provisions of Rule 3(G)-10, as under:

Allotment of earmarked land to PHED for erection of water supply scheme for the industrial area itself shall be made at a token rate of Rs. 1/- per sqm.

AND/OR

Earmarked land to PHED may be handed over in an industrial area for erection of water-supply scheme for the industrial area itself as well as for supply of water to the outside industrial area, free of cost on the following broad terms and conditions:

(a) Title of land shall vest with RIICO.
(b) The land shall not be used for any other purpose except for the purpose it is handed over.
(c) The Capital Expenditure as well as O&M of the water-supply system will be the sole responsibility of PHED.

The Committee directed that minimum area required be worked out as per the lay out plan submitted by PHED while considering the case of allotment to PHED.
The Committee further directed that in Rule 3(G)-9 the existing heading be replaced by word 'Building Complexes'.

**Item 5:** **Re-structuring of the existing Lease Agreement (Form C & D) for Industrial Land/Plot and also for allotted land/plots in Special Economic Zone developed by RIICO.**

The Committee made deliberation on proposed amendments and new clauses to be inserted in the standard lease agreement including proposed deletions. After discussions, the Committee accorded approval to the following:

(i) To approve the re-structured new format of lease agreement i.e. Form- C&D as annexed to the agenda note as Annexure V & VI, as initialed by the Secretary for the purpose of identification.

(ii) To approve the new format of lease agreement Form-SEZ annexed to the agenda note as Annexure-VII, as initialed by the Secretary for the purpose of identification.

(iii) To authorize the Managing Director to approve new form of lease agreement for institutional, residential, commercial or for any other type of allotments which are not covered under the above categories of land allotments. However, the IDC be informed about such lease agreement formats as and when approved by the Managing Director.

While discussing the proposed deletion of existing clause 3(h) of the lease agreement pertaining to arbitration, the Committee observed that since Corporation is in process of removing arbitration clause, therefore, a provision of second appeal needs to be provided to the entrepreneurs against the cancellation orders of allotment. The Committee also observed that in those cases in which Managing Director or any other officer of HO is part of the decision taken for cancellation, the appeal as provided under Rule 24 (2) (b) should lie to the next higher authority i.e. Chairman or IDC, as the case may be. After discussions, the Committee directed to put up an agenda in this regard in next meeting on aforesaid principle.

**Item 6:** **Policy to Permit Laying of Utility Lines in RIICO Industrial Areas by Various Agencies.**

The Committee discussed the agenda and accorded approval to a policy
for permitting various agencies to lay the different utility lines in RIICO industrial areas. The prevailing policies pertaining to laying of gas distribution pipeline and OFC cable areas would be persisted with:

a. The concerned agency should have obtained necessary NOC/clearance from all the competent authorities of the State Government/Government of India, as the case may be.

b. The lines/utility should be laid in conformity with the relevant codes applicable to the subject matter from time to time.

c. The concerned agency has to ensure safety measures and to bear its cost while laying of utility lines and also during its operation and maintenance.

d. The concerned agency will pay the permission charges @ Rs. 2.95 lacs per km (base year: 2017-18) of the utility length, in advance. The permission charges will be enhanced by 10% for every subsequent financial year, rounded off to nearest thousand.

e. The permission charges shall be exempted in following cases:

i. Laying of effluent conveyance system for carrying the effluent generated from and/or within RIICO Industrial Area for treatment and the conveyance line for treated water for its reuse in the industrial area.

ii. Laying of sewer line for also carrying the domestic sewerage generated within RIICO Industrial Area.

iii. Laying of sewer line which results in reducing the load on effluent conveyance system and/or CETP.

iv. Pipe lines of PHED and cabling system of the State Power Distribution Companies which are laid for also providing the service in RIICO industrial area(s) or the improvement of existing infrastructure of industrial area(s).

f. The concerned agency will pay to Corporation, the cost of restoration/reconstruction of infrastructure, such as roads, drains, culverts, others, etc. as may be damaged during execution of the work of laying of utility lines, as assessed by the Corporation. This is to be deposited in advance by the concerned agency.

g. The concerned agency will carry out the work with due diligence and minimum damages to the infrastructure. However, if in spite of due diligence the damages occur to the infrastructure belonging to the other departments/entrepreneurs and RIICO (other than covered under (f) above), the concerned agency will also be responsible for restoration of the same, at its own cost and within
reasonable time period. For this purpose the concerned agency would arrange bank guarantee equivalent to the permission charges computed as per (d) above in favour of the Corporation, prior to issuance of the permission.

**Item 7: Re-opening of Industrial Area Manda Ph-II, District Jaipur.**

The Committee discussed the agenda and accorded approval for the following:

(i) To re-open the industrial area Manda Phase-II for allotment of vacant industrial plots as per existing policy of land allotment.

(ii) To hand over possession of allotted plots to the respective allottees and also to execute lease agreements in their favour in time bound manner.

(iii) To discontinue the earlier decision of refund of the deposited amount along with 6% interest without any deduction to the existing plot allottees of industrial area Manda Ph-II in case of surrender of allotted plots.

The Committee also decided that for the period for which the allotment process/handling over of possession/execution of lease deed of allotted plot at this industrial area was kept on hold/kept in abeyance; the aforesaid period would not be counted for the purpose of reckoning the time period as provided for handing over the possession/execution of lease agreement, utilization of plot, interest on outstanding land premium and other charges except levy of economic rent plus Service Tax or GST, as the case may be, as per RIICO Disposal of Land Rules 1979/Allotment Letter.

**Item 8: Additional Administrative Sanction for Up-gradation of road and CD works at I/A, Neemrana-I.**

The Committee discussed the agenda and accorded approval for Additional Administration Sanction amounting to Rs.587.76 lac for up-gradation of road and CD works at Industrial Area, Neemrana-I.

**Item 9: Approval of deviation in the ongoing work of Development of Industrial Area Karoli, Bhiwadi.**

The Committee discussed the agenda and accorded approval for deviation of excess/extra quantities amounting to Rs.587.83 lac with corresponding savings of Rs.598.53 lac and a net a saving of Rs.10.70
lac, in the ongoing development works at Industrial Area, Karoli, Bhiwadi.

**Item 10: Approval of Bid for Construction of RCC storm water drain and approaches in General Zone at I/A Ghiloth.**

The Committee discussed the agenda and rejected the tender considering the fact that it being first time tender wherein a single bid has been received and there exists no exceptional circumstances to approve the same. The Committee observed that ground realities be checked at Ghiloth as to why there are repeated cases of single-tender only and directed that extra efforts be made while re-inviting the bid to ensure wider participation. GM (Civil) should also visit the area to identify the problem and try to increase contractors' participation.

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

CHAIRMAN