RAJASTHAN STATE INDUSTRIAL DEVELOPMENT AND INVESTMENT CORPORATION LIMITED

Minutes of : 3/2017–Infrastructure Development Committee
Venue : Udyog Bhawan, Jaipur.
Date : 19th July 2017
Commencement/Completion time of meeting : 3.00 P.M. / 5.00 P.M.

Present :

- Shri Rajeeva Swarup, Chairman
- Shri Kunji Lal Meena, Commissioner Industries
- Ms. Mugdha Sinha, MD, RIICO
- Dr. Tina Kumar, 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. Shri Sanjay Solanki, Financial Advisor; Shri Vijay Pal Singh, Advisor (Infra.); 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.

Item 1: To note the minutes of the last meeting of the Committee held on 28th April 2017.

The minutes of the last meeting of Committee held on 28th April 2017 were noted.

Item 2: Action Taken Report on the decisions of the previous meeting of the Committee held on 28th April 2017.

The Committee noted the position brought out in the agenda note. The Committee made following specific directions:

1. Item 2(1) regarding encroachment on land belonging to the Corporation:
A status note on how many encroachments removed so far and efforts made in respect of other cases be placed before the Committee.

2. **Item 2(9)** regarding inviting EOI for allotment of small chunk of government allotted land measuring less than 25 ha. on undeveloped basis for industrial/institutional use:
The Committee noted that as per the directives of the state government, government land will hitherto be allotted at the prevailing market rate, instead of 25% of DLC rate; therefore, allotment of government land would be much costlier. In this background, management had kept on hold the decision. The Committee suggested that further action in this matter be done on pilot basis within next three months along with finalization of policy for allotment of undeveloped land and its pricing.

As regards, review of definition of 'industrial area', it was also suggested that industrial area defined under MSME Act, may be taken into account.

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

The Committee discussed the agenda and accorded approval to the proposals, with a modification that in cases where application is withdrawn in writing prior to approval of allotment of land by the competent committee, then in such cases, 5% amount of deposited keenness money will be deducted and remaining amount will be refunded without any interest. Accordingly, the Committee approved following amendments in existing provisions/insertions of new provisions, as under:

<table>
<thead>
<tr>
<th>Existing Rule</th>
<th>Amended rule</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rule-3(W)-3.6 Keenness Money</td>
<td>Rule-3(W)-3.6 Keenness Money</td>
</tr>
<tr>
<td>'The keenness money will be the 10% amount of cost of land calculated at prevailing rate of allotment of the industrial area concerned. This amount will be deposited under the head of</td>
<td>'The keenness money will be the 10% amount of total premium of land calculated at prevailing rate of allotment of the industrial area concerned. This amount will be deposited under the head of</td>
</tr>
</tbody>
</table>
Advance from the Customers in books of RIICO. In case of rejection of the application, the amount of keenness money will be refunded without any interest.

Advance from the Customers' in books of RIICO and will be adjusted against final premium of land at the time of issuance of allotment letter:

(i) In case of rejection of the application, the deposited amount of keenness money will be refunded without any interest.

(ii) In cases where application is withdrawn in writing prior to approval of allotment of land by the competent committee, then in such cases, 5% amount of deposited keenness money will be deducted and remaining amount will be refunded without any interest.

(iii) In cases where application is withdrawn in writing after approval of the application by the competent committee but before issuance of allotment letter, irrespective of demand letter issued or not, then in such cases, 10% amount of deposited keenness money will be deducted and remaining amount will be refunded without any interest.

<table>
<thead>
<tr>
<th>Rule-3(AB)-2(V)</th>
<th>Rule-3(AB)-2(V)</th>
</tr>
</thead>
<tbody>
<tr>
<td>It shall be mentioned in the reservation letter that final rate of allotment of land shall be decided at the time of issuance of letter of allotment and the 10% keenness money deposited by applicant will be provisional and shall be</td>
<td>It shall be mentioned in the reservation letter that final rate of allotment of land shall be decided at the time of issuance of letter of allotment and the 10% keenness money deposited by applicant will be provisional and shall be</td>
</tr>
</tbody>
</table>
adjusted against the final cost of land.

adjusted against the final premium of land at the time of issue of allotment letter:

(i) In case of rejection of the application, the deposited amount of keenness money will be refunded without any interest.

(ii) In cases where application is withdrawn in writing prior to approval of allotment of land by the competent committee, then in such cases, 5% amount of deposited keenness money will be deducted and remaining amount will be refunded without any interest.

(iii) In cases where application is withdrawn in writing after approval of reservation of land by the competent authority but before issuance of allotment letter, irrespective of reservation letter issued or not, then in such cases, 10% amount of deposited keenness money will be deducted and remaining amount will be refunded without any interest.

<table>
<thead>
<tr>
<th><strong>Rule-3(E)-(ii)(x)</strong></th>
<th><strong>Refund/forfeiture of the keenness money will be done as per following procedure:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>(a)</td>
<td>In those cases in which the State Govt. does not issue the NOC to the applicant within six months from the date of</td>
</tr>
<tr>
<td>date of allotment then RIICO will refund keenness money without any deductions. The applicant will have to seek NOC within six from the land allotment date. However, the MD may consider time extension.</td>
<td></td>
</tr>
<tr>
<td>(b) If the applicant abandons the project or surrenders the land then the amount equivalent to the keenness money will be forfeited.</td>
<td></td>
</tr>
<tr>
<td>(c) Keenness money shall be refunded after commencement of institute functioning, without interest.</td>
<td></td>
</tr>
<tr>
<td>(d) No keenness money shall be demanded from Allottee institution for taking additional land for expansion of existing institution or for setting up new institution in area.</td>
<td></td>
</tr>
<tr>
<td>allotment then RIICO will refund keenness money without any deductions. The applicant will have to seek NOC within six from the land allotment date. However, the MD may consider time extension.</td>
<td></td>
</tr>
<tr>
<td>(b) If the applicant abandons the project or surrenders the land then the amount equivalent to the keenness money will be forfeited.</td>
<td></td>
</tr>
<tr>
<td>(c) Keenness money shall be refunded after commencement of institute functioning, without interest.</td>
<td></td>
</tr>
<tr>
<td>(d) No keenness money shall be demanded from Allottee institution for taking additional land for expansion of existing institution or for setting up new institution in area.</td>
<td></td>
</tr>
<tr>
<td>(e) In case of rejection of the application, the deposited amount of keenness money will be refunded without any interest.</td>
<td></td>
</tr>
<tr>
<td>(f) In cases where application is withdrawn in writing prior to approval of allotment of land by the competent committee, than in such cases, 5% amount of deposited keenness money will be deducted and remaining amount will be refunded without any interest.</td>
<td></td>
</tr>
<tr>
<td>(g) In cases where application is withdrawn in writing after approval of allotment of land</td>
<td></td>
</tr>
</tbody>
</table>
by the constituted committee but before issuance of allotment letter, irrespective of demand letter issued or not, than in such cases, 10% amount of deposited keenness money will be deducted and remaining amount will be refunded without any interest.

**Rule-25**  
**Refund of Security Deposit/Money**  
The Security deposit paid with the application for allotment of land will be refunded in the following cases:-

(i) Where the applicant has withdrawn in writing his request for allotment of land before allotment is made.

(ii) Where the application for land allotment before making allotment has been rejected.

(iii) Where allotment of plot of a particular size applied for has not been made and the party does not accept alternative size of plot as offered, within one month from the date of issue of allotment letter.

(iv) The security deposit made with the application for allotment of land shall be refunded to the allottee after

**Rule-25 (A) Refund of Security Deposit/Money**  
The Security deposit paid with the application for allotment of land will be refunded in the following cases and the manner:-

(i) Where the applicant has withdrawn in writing his application for allotment of land before conducting 'Draw of Lots', than in such cases, 5% amount of deposited security money will be deducted and remaining amount will be refunded without any interest.

(ii) Where the application for land allotment has been rejected.

(iii) Where allotment of plot of a particular size applied for has not been made and the party does not accept alternative size of plot as offered, within one month from the date of issue of allotment letter.

(iv) The security deposit made with the application for allotment of land shall be refunded to the allottee after the unit goes into production as
the unit goes into production as defined in Rule 21 on application made by him.

(v) In cases where application for allotment of land under Rule 3(AD) is withdrawn in writing, prior to approval of allotment by the competent authority, than in such cases, 5% amount of deposited keenness money will be deducted and remaining amount will be refunded without any interest.

(B) **Forfeiture of Security Deposit/Money**

The Security deposit paid with the application for allotment of land will be forfeited in the following cases:

(i) In cases, where the applicant has withdrawn in writing his application for allotment of land after conducting "Draw of Lots" but before issuance of allotment letter.

(ii) In cases, where application for allotment of land under Rule 3 (AD) / for normal allotment, is withdrawn in writing after approval of allotment by the competent authority but before issuance of allotment letter.

(iii) In cases of cancellation / surrender of plot.

*The Committee took up for discussion item No. 5 prior to discussion on item No. 4.*

**Item 5: Redefining Saturation Level of an Industrial Area.**
The Committee discussed the agenda and accorded approval that an industrial area may be declared as saturated after allotment of 70% saleable industrial land of the industrial area concerned, in place of existing limit of 60%. After allotment of 70% saleable industrial land, remaining 30% saleable industrial land will be allotted through auction. However, preferential allotment of industrial land will continue as per provisions under Rule 3(W) of RIICO Disposal of Land Rules, 1979 after declaring the industrial area as saturated.

Item 4: **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.**

The Committee discussed the agenda. After detailed discussions, the Committee deferred decision on the item with a directive that a presentation be made before the Committee in its next meeting on the procedure presently followed for allotment of land under different rules starting from prior/after opening of an area for sale, initial allotment, first come first serve basis, preferential allotment, allotment to different categories, etc.

Item 6: **Amendment in the existing norms of RIICO Disposal of Land Rules, 1979 (Form 'E') with regard to implementation of Rain Water Harvesting System in RIICO Industrial Areas.**

The Committee discussed the agenda and accorded approval to amend the existing norms laid down as General Note-17 in Form 'E' attached to the RIICO Disposal of Land Rules, 1979, as under:

(i) For water conservation and increasing level of ground water, all plot allottees having area more than or equal to 500 sqm. shall have to construct Rain Water Harvesting Structures (RWHS) in their premises to recharge the ground water so as to ensure that all rain water is effectively harvested and recharged.

(ii) All the plot allottees including allotments made under rule 3(W) are required to intimate concerned unit offices of RIICO in writing about completion of RWHS. The allotted plots will be treated as utilized even without completion of RWHS subject to fulfillment of other prescribed norms. However, applicable retention charges will be leviable as per rule up to the date of utilization decided based on other prescribed norms. Moreover, for delay in completion of RWHS beyond the date of utilization, a lump-sum penalty will be
charged as under:

<table>
<thead>
<tr>
<th>SNo.</th>
<th>Size of Plot</th>
<th>*Penalty amount for one year delay or part thereof</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>From 500 sqm. to 2000 sqm.</td>
<td>Rs. 25,000/- per annum</td>
</tr>
<tr>
<td>2.</td>
<td>Above 2001 sqm.</td>
<td>Rs. 50,000/- per annum</td>
</tr>
</tbody>
</table>

The above lump-sum penalty will be charged with retrospective effect instead of retention charges in cases wherein plot has been treated utilized after 30.09.2011.

*Explanation: The penalty amount will be calculated on annual basis.*

(iii) For existing plot allottees who have already utilized the allotted plot, prior to 30.09.2011, their request for transfer of plot/ change in constitution/ change in land use/ no objection certificate etc. will be considered even without having RWHS in their premises on payment of lump-sum penalty as prescribed above with retrospective effect, i.e. from 11.10.2016. But they will be required to construct it nevertheless since this is a mandatory provision.

(iv) The cases wherein retention charges have already been deposited on account of regularization of delay in utilization of plot due to non completion of RWHS, the same will not be re-opened and no claim on this account will be entertained and no refund will be made.

(v) The existing provisions pertaining to levy of lump-sum penalty of Rs. 50,000/- on account of non-construction of RWHS under rule 3(W) be amended and will be applicable as per provision made in General Note-17 in (Form-E ) of RIICO Disposal of Land Rules, 1979.

Item 7: The matter related to hand over land earmarked at 6 different locations to PHED in Bhiwadi Region for establishment of urban water supply scheme of Bhiwadi.

The Committee discussed the agenda and heard Additional Chief Engineer, PHED, Alwar. He submitted an undertaking mentioning that PHED will take over Water Supply Scheme of Sector-1,2 & 3 of Rajasthan Housing Board from RIICO as per the undertaking. Accordingly, the Committee reviewed its earlier decision dated 16.06.2016 and decided to hand over the earmarked land to PHED as they have already issued work order for construction of water supply
scheme and also for O&M for five years, subject to their commitment to take over WSS of Sector 1-2, 3 of RHB from RIICO by completion time of work order date.

**Item 8: Amendment in standard form of Administrative Sanction (AS) and provision for Environment Protection Fund (EPF).**

The Committee discussed the agenda and accorded approval:

1) To create a corpus for Environment Protection Fund (EPF) @ 1% of direct charges of industrial area concerned as per following modalities:

   a) An Environment Protection Fund (EPF) be created @ 1% of direct charges of concerned Industrial Area in case of every new A.S. issued hereinafter.

   b) In case of revision of A.S., due to change in planning or for any other reason, EPF be also created @ 1% of direct charges, only if either industrial area has not been opened for sale or at least 50% of saleable area is unsold at the time of revision of A.S.

   c) EPF shall be created/provided for in A.S. even if there exists specific provision for environment management plan (EMP). EPF shall be over & above the specific EMP provision in A.S., if any.

   d) EPF shall work as ‘corpus’ out of which expenditure on environment protection of any of RIICO’s industrial areas may be incurred. It will not be an industrial area specific corpus.

   e) EPF shall be an indirect charge. Memorandum records of EPF shall be maintained at unit/H.O. level. Any expenses incurred against EPF shall be charged directly to profit & loss account in the year of expenditure incurred.

   f) The point of accrual of EPF shall be the actual sale of the land. Permission for incurring expenditure against EPF will be allowed in proportion of actual sale to total saleable area, based on latest audited balance sheet of the Corporation.

   g) Any specific provision made in the A.S. for environment management plan (EMP) if need to be revised upward subsequently consequent to any stipulation of Environment Clearance (E.C.)/or directions of any other competent authority, the concerned A.S. shall also be revised and accordingly the provision for EPF.
2) Making provision in AS for the interest cost for the period from the date of payment of land compensation to the date of issue of AS in case there is time lag between the two dates.

3) Prevailing land cost be taken as the higher of below two amounts while computing allotment rate (Premium) of developed industrial land:

(i) Land compensation amount actually paid plus notional simple interest cost from the date of payment to the date of issue of A.S.

(ii) Land cost arrived-at on the basis of present industrial DLC rate of the area concerned. In cases where industrial DLC rate is not notified, the same be taken twice of prevailing agriculture DLC rate, as per Notification of Finance (Tax Division) Department dated 9th March 2015.

4) Making provision in the AS for water harvesting on estimated cost basis, over and above stipulated provision @ 5% of land cost, as per the directions of Courts/NGT/any other competent authority.

**Item 9:** Approval of single tender for Construction of RCC bridge and approach road with reinforced earth wall on link road to Industrial Area Ghiloth.

The Committee discussed the agenda and accorded approval for awarding the tender in favour of single bidder, M/s. Parul Construction Company (single responsive bidder) against the bid of Rs.7,01,30,055/-.

**Item 10:** Project Management Consultant (PMC) for the work of "Development of Industrial Area, Karoli, Bhiwadi".

The Committee discussed the agenda and noted the position brought out in the agenda note.

The Committee noted that following agenda items were 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 these items for consideration and approved the same unanimously:
Item 11: Approval of Administrative Sanction for development of new Industrial Area, Soniyana, Chittorgarh, (Bhilwara Unit) and Fixation of Allotment Rate for industrial plots thereof

The Committee discussed the agenda and accorded approval to Administrative Sanction for development of new industrial area, Soniyana, Chittorgarh (Bhilwara Unit) at an estimated cost of Rs.39,343.99 lac, and fixation of allotment rate of industrial plots @ Rs.2200/- per sqm. as per the cost sheet attached at Annexure-I to the agenda note.

Item 12: Approval of Administrative Sanction for development of new Industrial Area, Stone Park, Masalpur, Distt. Karauli (Sawaimadhopur Unit) and Fixation of Allotment Rate for industrial plots thereof

The Committee discussed the agenda and deferred the consideration of the agenda with a direction that the demand for industrial area here may be reviewed and the position be placed before the Committee.

GENERAL OBSERVATION

The Committee decided that the meeting of IDC be held as often as required and at least one meeting be held every month.

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