

**RAJASTHAN STATE INDUSTRIAL DEVELOPMENT AND
INVESTMENT CORPORATION LIMITED**

Minutes of : 1/2018 – Infrastructure Development Committee
Venue : Udyog Bhawan, Jaipur
Date : 2nd February 2018
Commencement/Completion time of meeting : 11.30 A.M. /12.30P.M.

Present :

Shri Rajeeva Swarup	Chairman & MD
Shri Kunji Lal Meena	Commissioner Industries
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. Shri Vijai Pal Singh, Advisor (Infra.), Shri Rajan Kapoor, GM (Civil), Shri R.K. Limba, GM (Finance) 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.

As the notice as well as the agenda notes were circulated at a notice of less than seven days, the Directors present in the meeting unanimously agreed to waive the minimum notice period and take up all the items for consideration:

Item 1: To note the minutes of the last meeting of the Committee held on 8th December 2017.

The minutes of the last meeting of Committee held on 8thDecember 2017 were noted.

Item 2: Action Taken Report on the decisions of the previous meetings of the Committee held on 24th November 2017 and 8th December 2017.

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

Item 3: To incorporate a new provision in Rule 23-C of RIICO Disposal of Land Rules, 1979 regarding non applicability of retention charges in case of assets sold by any Judicial/Quasi Judicial Authorities including Financial Institutions by exercising their respective powers under the Act.

The Committee discussed the agenda and, in order to maintain parity with other Judicial/Quasi Judicial Authority/recognized Financial Institutions in case of land/plot auctioned by then, under respective prevailing law, as is being allowed in case of RIICO/RFC; accorded approval for incorporating a new provision in existing Rule 23-C of RIICO Disposal of Land Rules, 1979, as follows:

“If the plot/unit is auctioned by any Judicial/Quasi Judicial Authority, including recognized financial institutions, by exercising the powers conferred under the relevant Act after taking the possession of such plot/unit, then retention charges in such cases shall not be levied upon the transferee and in such cases, fresh time period of 2 years will be given for commencing of production or activity, as the case may be. This time period of 2 years will be reckoned from the date of transfer of leasehold rights in his favor by the Corporation”.

Item 4: Time extension for utilization of industrial plots beyond stipulated period to 128 nos. old allottees of industrial area Apparel Park, Jaipur on payment of retention charges.

The Committee discussed the agenda in detail and noted that as on November 2017, out of 128 old allottees, 47 allottees have started production within stipulation period, 41 plots are under construction and in respect to 50 allottees time for commencement of production activity is still available. There are 32 allottees who have not started production activity within the stipulated time. The Committee also noted the stipulations as mentioned in the letter of allotment as regards to period in which production activity is to be commenced, the date with reference to which period of commencement of production activity is to be reckoned with and consequences of failing to commence production activity etc., and the representations made by Garment Exporters Associations of Rajasthan (GEAR) to allow time extension to commence production activity. After detailed discussions, and in pursuance to the decision of the IDC taken in its meeting held on 24.5.2013, for such 128 old allottees of Apparel Park, Jaipur who have not commenced production activity within the stipulated period, the Committee recommended last and final time extension of one year

(based on individual dates) to commence production activity, on payment of applicable retention charges as per prevailing RIICO Disposal of Land Rules 1979. In case, the unit(s) still not abides this provision, then next stage would be cancellation of plot. This is subject to approval of the State Government.

Item 5: Review of the policy decision taken earlier related to amendment in the existing policy for sub-letting of allotted industrial plot/building for supportive uses.

The Committee discussed the agenda and reviewed its earlier decision taken vide item 3 of the meeting dated 12.5.2016 and accorded approval as under:

- (1) Policy decision taken earlier to withdraw the existing provisions of allowing sub-letting of allotted industrial plot/building for banks and financial institution (non banking), registered with RBI, as supportive uses will remain unchanged.
- (2) To allow sub-letting permission as per pre-revised policy for above supportive uses in those cases in which the allottee had got in-principle approval/NOC from the unit office concerned prior to issue of office order dated 27.05.2016 but final permission could not be issued due to non-payment of required charges and/or due to non submission of copy of registered rent deed, for maximum period as already agreed with the bank as per agreement subject to payment of one month rent for every year of sub-letting period.
- (3) To allow further renewal or extension of period for sub-letting in favor of those allottees of industrial plots who had already obtained permission from the Corporation to sub-let their premises situated on industrial plots for banks and financial institutions (non banking), registered with RBI, for maximum period as already agreed with the bank / financial institution as per agreement subject to payment of one month rent for every year of sub-letting period.

Item 6: Insertion of new Rule in RIICO Disposal of Land Rules, 1979 for e-Auction of all type of plots/category in RIICO industrial areas.

The Committee discussed the agenda and accorded approval for insertion of new Rules in RIICO Disposal of Land Rules, 1979 for e-Auction of all type of plots/category in RIICO industrial areas, as per

e-Auction rules and modalities for e-Auction annexed as Annexure-III & IV respectively to the agenda note.

Since it is a start of e-Auction of plots in RIICO Industrial Areas, in exceptional cases, Managing Director is authorized to accord permission of sealed bidding in place of e-Auction in case e-auction process is not performed very well in any particular area due to poor connectivity or any other reason beyond the control. Managing Director is further authorized to make amendments in e-Auction Rules & Modalities of e-Auction, necessitated due to technology up-gradation in future or as may be deemed fit.

These e-auction rules and modalities shall be made effective from 01.04.2018 and till then existing system of auction by sealed bidding would be continued.

Item 7: One Time Relaxation Scheme for the cases of change of land use from industrial to commercial warehousing during Special Campaign.

The Committee discussed the agenda in detail. Looking to the fact that around 300 plots in I/A VKIA, Jaipur, besides similar cases in other industrial areas, are carrying-out commercial warehousing activities either on part or full plot without obtaining requisite permission from the Corporation and it may not be practically possible for the Corporation to cancel allotment of such defaulter large numbers of allottees, the Committee accorded approval for One Time Relaxation Scheme for the cases of change of land use from industrial to commercial warehousing during Special Campaign, as follows:

- i. To relax in rate of conversion charges from 0.5 times to 0.25 times of prevailing rate of allotment of industrial area concerned during the period of Special Campaign.
- ii. Not to impose additional conversion charges equivalent to 25% of the prevailing rate of allotment of the industrial area concerned applicable as per rules towards unauthorized use of industrial plot for commercial warehousing, during the period of Special Campaign.
- iii. One Time Relaxation Scheme as per above, be launched for specific period, i.e. up to 30.6.2018, be applicable for regularization of old cases as well as for new cases of change in land use from industrial to commercial warehousing, if application received up to 31.5.2018 and full due payment received up to 30.6.2018.

- iv. Cases in which final permission for change of land use from industrial to commercial warehousing had already been issued may not be reopened and may not be entertained again under the above proposed One Time Relaxation.
- v. The cases of change of land use from industrial to commercial warehousing for regularization of warehouses constructed without change in land use received after 31.5.2018 will be dealt with as per the prevailing rules without any relaxation.
- vi. An advertisement may be issued in one daily State Level and one National Level Newspapers for wide publicity of the said One Time relaxation scheme.

Since it being a major policy decision, the Committee recommended to place the matter before the Board for wider discussion and approval.

Item 8: Approval of Administrative Sanction (AS) for development of new industrial area Kakani, Jodhpur.

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

1. Administrative sanction of Rs. 89,469.64 lac for development of new I/A Kakani, Jodhpur.
2. Fixing the rate of allotment of developed industrial land at this area @ Rs. 5800/-psqm.

Item 9: Correction in name of industrial area as mentioned in the resolution passed by the IDC dated 29.05.2013 on agenda item No. (33) from Industrial Area Kukas Extension to Industrial Area Kukas.

The Committee discussed the agenda and noted the fact about correction in name of I/A from industrial area Kukas (Extension) to Industrial Area Kukas and accorded ex-post facto approval for the same.

Item 10: Reconsideration of the case of Suncity Sheets Pvt. Ltd., Plot No. SP-866-867 at industrial area Boranada, Phase-IV and clarification on the earlier decision taken by the IDC on 29.05.2012.

The Committee discussed the agenda. An addendum to the agenda note, detailing the facts of the captioned case was placed before the Committee and taken on record. The Committee noted the following:

- (1) The allottee in their application for allotment of land had proposed an investment of Rs. 76.51 cr. in phases and not at one go.
- (2) The Committee accorded approval for preferential allotment U/R 3(W) of RIICO Disposal of Land Rules, 1979 under the then prevailing scheme of minimum investment of Rs. 20 crores within the stipulated time, and the same was incorporated in condition no. 6 of allotment letter dt. 16-11-2010 that the allottee would commence production within a total period of 3 years with a minimum investment of Rs. 20 crores. This 3 year period was up to 14-12-2013.
- (3) Subsequently, policy decision was taken by the IDC in its meeting held on 29-5-2012 wherein it was decided that in cases of preferential allotment U/R 3 (W), the total investment as per the project report was required to be made by the due date.
- (4) The Company informed the Unit office vide its letter dated 12-1-2014 that it has completed minimum investment of Rs. 26.53 crores and is in production.
- (5) The Company was not informed by the Unit office of the IDC decision and applicability of the new Rule 21 w.e.f. 1-6-2012, and was informed about it post the stipulated date (14-12-2013) on 25-2-2014, and after submission of their letter. In fact, up to July 2013 the Unit office was sending communication to the company to ensure investment of minimum Rs. 20 crores to consider unit in production.
- (6) The applicant company has informed, with supporting documents that it has already invested Rs. 61.16 cr. on fixed assets as on 30.11.2017 and Rs. 17.71 cr. on account of working capital. In addition, it has placed orders for machinery exceeding Rs. 10 crores and is in process to invest even more than the envisaged amount. The allottee has paid approx. Rs. 175 cr. as revenue/tax to the Government after the commencement of the production and is giving direct employment to 135 individuals presently.

In view of above background, the Committee reviewed its earlier decision taken by the IDC on agenda item (16) of its meeting held on 11.05.2015 and accepted the request of Suncity Sheets Pvt. Ltd. I/A Boranada, Phase-IV, to consider minimum investment of Rs. 20 cr. for the purpose of commencement of production activity.

As regards to similar other pending cases, the Committee directed that such cases shall be examined on case to case basis from the point of view whether IDC decision dated 29.5.2012 was communicated timely to the concerned allottee(s) that had been allotted land prior to this

order, their current status of investment etc. Such cases where the IDC decision dated 29.5.2012 was applied with retrospective effect, and the actual situation was as per the present case, shall be dealt with in the manner as done in this case. All such cases will be reviewed and decided at the level of the MD, on the basis of representation made by the concerned allottee and merits /facts of the case etc.

However, cases already decided, wherein retention charges levied have been deposited by the concerned allottee, shall not be reopened.

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, took up these items for consideration and approved unanimously:

Item 11: Amendment in the provisions of Rule 11 related to execution of lease agreement and Rule 26 of the RIICO Disposal of Land Rules, 1979 related to registration of lease agreement and payment of applicable Stamp duty thereon.

The Committee discussed the agenda and accorded approval for amendment in the existing provisions of Rule 11 related to execution of lease agreement and Rule 26 of the RIICO Disposal of Land Rules, 1979 related to registration of lease agreement and payment of applicable Stamp duty, as under:

Existing Provision	New provision
<p>Rule 11 – Terms and conditions of lease The Allottee shall abide by the terms and conditions of lease agreement and other terms as laid down by the Corporation from time to time. The lease deed shall be executed in Form-C within 90 days from the date of entire payment of premium. In case of allotment on installment basis, lease deed shall be executed in Form-D within 90 days from the allotment date. Sr.DGM / Sr.RM/ RM may also allow lease deed execution before payment of balance premium of land. No</p>	<p>Rule-11 – Execution of Lease Agreement and Allottee shall abide by terms and conditions thereof</p> <p>(i) The lease agreement should be executed in Form-C within 90 days from the date of entire payment of premium of allotted land. In case, allotment is made on installment basis, lease agreement should be executed in Form-D within 90 days from the date of allotment.</p> <p>(ii) In case of allotment made for EPIP, SEZ or any other special purpose/project including non-industrial purposes, lease</p>

<p>retention charges will be levied in granting time extension for lease deed execution. The original lease deed where full development charges have been paid may be allowed for mortgaging or may be handed over to the Allottee as per Form-G.</p> <p>In case of allotment on installment basis or lease deed executed without payment of full development charges, the original lease deed may be sent to financial institutions if so requested, with the condition that, balance development charges shall be remitted to the Corporation by the financial institutions if the lessee fails to pay installment/ balance development charges in time. IN case the Financial Institution does not remit the due amount, the Corporation shall have the right to resume possession of the land irrespective of first charge of the Financial Institution.</p>	<p>agreement shall be executed between the Corporation and the Allottee in approved format in this regard.</p> <p>(iii) Unit Head concerned will have full powers to extend time limit of 90 days for execution of lease agreement after allotment either in Form-C or Form-D including other special type of the lease agreements on payment of Rs. 500/- per month as penalty towards delay in execution of lease agreement.</p> <p>(iv) The Allottee shall be required to submit lease agreement in four copies in the concerned unit office for its execution. The Allottee shall abide by the provisions of Rule 26 of these rules for payment of Stamp Duty, if applicable. However, if applicable stamp duty has already been paid by the Allottee through E-challan, then, copy of said challan should be submitted by the Allottee concerned.</p> <p>(v) The Allottee shall be required to present the executed Lease Agreement/Supplementary Lease Agreement or any other type of indenture within stipulated period as prescribed under Section 23 and 25 of the Registration Act for its registration to the Sub-Registrar and get it registered on his own expenses and costs as per provisions of Registration Act and Rajasthan Stamp Act, 1998</p>
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(as amended) along with rules made there under. Otherwise, the Lease Agreement or any other type of indenture so executed will be treated as cancelled as having no legal force and no rights shall be accrued in favour of Allottee merely on execution of such indenture.

(vi) The Allottee shall abide by the terms and conditions of lease agreement and other terms as laid down by the Corporation from time to time.

(vii) The original lease agreement where full payment of premium has been paid may be allowed for mortgaging it subject to satisfaction of the Corporation or may be handed over to the Allottee as per Form-G.

(viii) In case of allotment made on installment basis, the original lease agreement will be sent to Financial Institution(s) if so desired, with the condition that balance land premium amount and other applicable charges shall be remitted to the Corporation by such Financial Institution(s), if the lessee fails to pay installment(s)/ balance premium amount within stipulated time. In case the Financial Institution does not remit the due amount, the Corporation shall have the right to resume possession of the land after serving 90 days notice in this regard to the concerned

	<p>Financial Institution(s) irrespective of first charge of the Financial Institution on the demise premises.</p> <p>(ix) Provided that in cases where allottee has applied for customized package in BIP, he may produce a certificate from BIP to the Unit head to the effect that their case is under consideration. In such cases date of signing of lease-deed be reckoned from the date of approval of customized package.</p> <p>Note: Penalty towards delay in execution of lease agreement shall be imposed with effect from the date of applicability of amended provision of this rule.</p>
<p>Rule – 26 – Stamp Duty The stamp duty, registration charges and all legal expenses involved in the execution of lease agreement etc. shall be borne by the lessee</p>	<p>Rule – 26 – Registration of Lease Agreement & other type of indentures and payment of stamp duty thereon.</p> <p>(1) The Lease Agreement as provided under Rule 11 of these rules and other requisite indentures such as supplementary/amended Lease Agreement shall be executed on proper stamp paper/duty as per provisions of Rajasthan Stamp Act, 1998 (Act No. 14 of 1999). Registration of such Lease Agreement/indentures shall be compulsory and copies of the same shall be sent to the office of Sub-Registrar concerned for registration under Registration</p>

	Act, 1908 (Central Act No. 16 of 1908). The stamp duty, if applicable, registration charges and all legal expenses involved in the execution of lease agreement including other type of indentures shall be borne by the Lessee.
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Item 12: Approval for making allotment of remaining industrial plots through auction at industrial area Prahladpura, Jaipur by relaxing the existing provision for allotment of industrial plot by way of auction after industrial area is declared as saturated.

The Committee discussed the agenda and accorded approval to allot remaining saleable industrial land/plots by way of auction, by dispensing the existing provision of allotment of remaining industrial land/plots (measuring approx. 38.47%) on First Come First Serve basis, before attaining saturation level at I/A Prahladpura, as a special case. The Committee further directed that auction of plots should be done by way of e-auction as and when it has come into force. However, the preferential allotment of industrial land would be made, if required, under the provisions of Rule 3(W) of RIICO Disposal of Land Rules, 1979.

Item 13: Partial amendment in the existing provision related to ceiling of non –industrial area under Rule 20-C of RIICO Disposal of Land Rules, 1979.

The Committee discussed the agenda and accorded in principle approval for increasing the existing limit from 15% to 20% for non-industrial use of total scheme area in saturated industrial areas except such industrial areas as are notified under the “Industrial Park Scheme 2002” for availing exemption under Section 80 IA of Income Tax Act 1961.

Since it being a major policy decision, the Committee recommended to place the matter before the Board for wider discussion and approval.

GENERAL OBSERVATION:

It has come to notice of the Committee, while discussing the case of Sun City Sheets Pvt. Ltd., that there are several disputed cases on account of the fact that IDC has taken decisions which also have retrospective effect to it, i.e. they

become applicable to allotments made earlier wherein such conditions were not included as one of the conditions of allotment or any condition has been changed to the detriment of the allottee. In such situation, it has been observed that, from RIICO's perspective these decisions become binding on the allottees with effect from the date of the decision / order. However, it has also been observed that the changed conditions / stipulations (not included in the original allotment conditions, and to the detriment of the allottees concerned) are not intimated to the allottees concerned either by the Unit Office or the HO. It remains a presumption with HO/Unit Office that the allottees concerned would be aware of the IDC decision or change in Rule / condition. This is against the principles of natural justice.

Therefore, it was decided that for all such decisions in future, having retrospective effect, intimation to the affected allottees would be given by the concerned unit office positively. For past such cases, wherein no such intimation was provided, the cases would be examined on merits in accordance with the principles laid down in respect of decision pertaining to Item No. 10.

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

CHAIRMAN

Place: Jaipur

Date:09.02.2018