

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

MINUTES OF : **Infrastructure Development Committee**

VENUE : **Udyog Bhawan, Jaipur**

DATE & TIME : **6th August 2014 at 11.00 A.M.**

PRESENT:

Shri C.S. Rajan	Chairman
Smt. Veenu Gupta	Managing Director
Shri Vinod Ajmera	Commissioner Industries
Shri Madhusudan Sharma	Managing Director, RFC

Shri D.K. Sharma, Secretary was in attendance. Shri Prakash Tekwani, Financial Advisor, Shri Lalit Kumar, Advisor (Infra), Shri A.K. Agarwal, AGM (Tech.), Shri S.K. Sharma, Sr. RM (P&D) and Shri S.K. Gupta, Sr. RM (P&D) were also present.

LEAVE OF ABSENCE:

The Committee granted leave of absence to Shri Alok, Secretary Energy and Dr. Prithviraj, Commissioner (Investment & NRI)

Item 1: Confirmation of the minutes of the last meeting of the Committee held on 17th June, 2014.

The minutes of meeting held on 17th June, 2014 were confirmed by the Committee and signed by the Chairman.

Item 2: Action Taken Report on the decisions of the previous meetings of the Committee held on 17th June, 2014.

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

Item 3: Review of the existing policy under Rule 23-C of RIICO Disposal of Land Rules,1979 related to granting time extension for commencement of activities for which plot is allotted.

The Committee discussed the agenda and accorded approval for revision in Rule 23-C, as under:

1. Time extension for completion of construction and for commencement of the activity (industrial/residential/commercial/institutional) for which plot is allotted (except for land allotment made under Rule – 3(W)) be allowed beyond stipulated period on the request of the allottee on payment of retention charges as per following provisions:

- i. In old land allotment cases wherein 5 years or more period for completion of construction and commencement of the activity has already expired (as on 31.07.2014) and the plot has not been utilized by the allottee, then time extension will be granted in such cases in stages on incremental rates of retention charges (instead of uniform rate), as given below:

S N.	Time extension	Rate of RC per quarter or part thereof	Competency
1.	Regularization of old delay and time extension maximum upto one year from the date of application.	1%	MD
2.	Further extension of two years	1.5%	MD
3.	Further extension of two years	2%	MD
4.	Further time extension as per merit of the case	As may be decided by the IDC	IDC

- ii. In cases wherein 5 years period for completion of construction and commencement of activity has not expired (as on 31.07.2014), then time extension/regularization of delay in such cases will be considered in stages on incremental rates of retention charges (instead of uniform rate), as given below:

S N.	Time extension	Rate of RC per quarter or part thereof	Competency
1.	Upto one year	0.5%	Unit Head
2.	Upto three years	1%	Unit head
3.	Upto Five Years	1.5%	Advisor(infra)
4.	Upto seven years	2%	M.D.
5.	Further time extension as per merit of the case	As may be decided by the IDC	IDC

iii. General Note & Explanation:

- a. 5 year period for completion of construction and commencement of the activity would mean sum of scheduled time period + extended time period + time period to be regularized.
- b. The intermediate milestones regarding commencement of construction and completion of construction would not be observed at the time of granting time extension for commencement of activity.
- c. If the allottee seeks time extension for more than one year at a time then retention charges will be calculated in stages as per the rates given above.
- d. Maximum two years extension will be granted at a time, irrespective of regularization of period of old delay.

- e. The rate of allotment for computing retention charges will be one time for industrial and institutional plots, 1.5 times for residential plots and two times for commercial plots.
 - f. In case rate of allotment of housing colony is fixed then the rate of allotment for computing retention charges will be 1.5 times of the prevailing rate of the allotment of the industrial area or the rate of allotment of the housing colony, whichever is higher.
 - g. The applicable retention charges will be leviable 50% of the total amount of retention charges for the industrial areas located in tribal and backward districts.
 - h. If the allotted plot is transferred prior to utilization of plot then transferee shall be required to commence the activity on the plot as per scheduled period allowed to transferor and extension beyond the original scheduled period will be granted on payment of retention charges at the rates prescribed as above.
 - i. If purchaser/seller is not reporting purchase/sale of the plot to RIICO and subsequently allotment of plot is cancelled after serving show cause notice to the seller (lessee) then retention charges for the period of delay/time extension involved will be leviable at double the normal rate of retention charges in addition to restoration charges as per rules (as approved by IDC in its meeting held on 04.02.2014).
 - j. Computation of retention charges will be done as per the rate prevailing on the date of payment made by the allottee. However, pre-revised rate of allotment will be applicable in the cases of revision in rate of allotment of industrial area, as decided by IDC in its meeting held on 26.02.2014 (Office Order No. 13/2014 dt. 04.03.2014).
 - k. In case of allotment of plots made in undeveloped industrial areas which are not planned to be developed in future, extension for completion of construction/ commencement of production shall be granted without retention charges.
2. Any industrial unit will be recorded as "under production" on compliance of other prescribed norms without completion of RWHS. However, the allottee will be required to complete RWHS and for delay in completion of RWHS, lump sum penalty will be charged as under:

S No	Size of plot	Penalty amount per annum
1	up to 2000 Sqm	Rs. 10,000 per annum
2	From 2001 to 10,000 Sqm.	Rs. 20,000 per annum
3	From 10,001 to 20,000 sqm.	Rs. 30,000 per annum
4	Above 20,001 sqm.	Rs. 50,000 per annum

3. Further, transfer of plot /change in constitution/change in land use/ No Objection Certificate for any work to existing industrial units will not be entertained without having RWHS in their premises.
4. Reviewing earlier decision of IDC taken vide item 4 of meeting dt. 26.2.2014 regarding levy of retention charges on transfer of closed units. If the transferee fails to commence production within stipulated period of two years from the date of transfer of leasehold rights, in such cases retention charges for granting time extension will be levied as per the rates mentioned at Sl.No. 1 (ii) above.
5. The existing provisions of the rule 23-C be replaced with the above amended provisions.

Item 4: Redefining Saturation Level of an Industrial Area

The Committee discussed the agenda and accorded approval that an industrial area will be declared as Saturated after allotment of 60% saleable industrial land of the industrial area concerned in place of existing limit of 80%. After allotment of 60% saleable industrial land, remaining 40% saleable industrial land will be allotted through auction.

Item 5: Issues related to Japanese Zone, NIC(M) Neemrana and for approval not to apply provisions of enhanced built up area requirement applicable w.e.f. 04.03.2014 on defaulter plot allottees of other general industrial areas.

Committee discussed the agenda. Looking to the large investment being made by multinational Japanese companies and to attract further foreign investment in the State, the committee deliberated and accorded approval/ relaxations as under:

1. Time extension for completion of requisite construction and commencement of production activity will be granted by the Managing Director on case to case basis in Japanese Zone, Neemrana on payment of retention charges. MD would have full powers for granting above time extension irrespective of general provisions under Rule-23(C) of RIICO Disposal of Land Rules, 1979.
2. For the above time extension, the retention charges will be recovered based on the following calculations:
 - (A) The applicable retention charges will be waived in cases wherein minimum 20% built up area has been completed, irrespective of whether that unit has commenced production or not.
 - (B) If construction made on due/already extended date is less than the minimum requisite construction (20% of the plot area) then the rate of retention charge will be applicable as per the calculation given below:

Rate of RC to be charged per quarter for one year time extension

= Rate of RC as per rule per quarter

$$\text{X} \left(\frac{20 - \% \text{age of construction made}}{20} \right)$$

3. The policy for allowing two years time period without retention charges as approved by IDC in its meeting held on 22.01.2014 be withdrawn in Japanese Zone, Neemrana. However, in those cases, time extension has already been allowed based on the above policy and if the allottees fails to complete 20% construction within the extended period then retention charges will be leviable from such allottees as per the formula/calculation proposed as above. In such cases, the retention charges will be calculated from the date from which extension of two years was granted.
4. As some of defaulter allottees have shown their intention to surrender the surplus/unutilized land subject to waiver of applicable deductions, the committee observed that by virtue of surrender of land Corporation would get back approximately 1,20,000 sqm. of land and the additional cost to be received by the Corporation on allotment of this land at the prevailing allotment rate will be approximately Rs. 30.00 crores whereas the amount to be waived towards various charges would be around Rs. 5.60 crores. Accordingly, committee accorded approval that in cases wherein the allottees want to surrender part unutilized land and after surrender of this land, the built up area is atleast 20% of the remaining plot area then construction in such cases will be treated as completed. In such cases, retention charges payable upto the date of surrender be waived and the cost of surrendered land be refunded without any deduction by relaxing the existing provision of the rule. Further, outstanding service charges and interest thereon on for the area of part surrendered land will also be waived.
5. Revised policy provisions for treating the allotted plot in production with increased built up area from 20% to 30%, which came in force w.e.f. 04.03.2014, will not be made applicable to plot allottees prior to 4.3.2014 in Japanese Zone, Neemrana at the time of approval of time extension/regularization of delay for completion of construction and commencement of production in favour of the plot allottees.
6. The provisions of enhanced built up area requirement applicable w.e.f. 4.3.2014 will not be applied on defaulter plot allottees of all the other industrial areas also at the time of approval of time extension / regularization of delay for completion of construction and commencement of production in favour of such plot allottees. In case any condition had been imposed on such defaulter allottees as per the revised policy provision then same will be got modified accordingly.

Item 6: Issues related to SEZ, Boranada consequent upon de-notification of the same.

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

- i. To change the name of the industrial area from SEZ, Boranada to “*Boranada Industrial Park*”.
- ii. To revise prevailing allotment rate of said industrial park from Rs. 2500/- per sqm. to Rs 7000/- per sqm. and the allotment rate of other contiguous industrial areas will remain unchanged in anticipation of approval of BoD.
- iii. The committee reviewed the earlier decisions taken in its meeting held on 13.08.2012 regarding unbounded units (33) i.e. for recovery of additional cost of difference of allotment rate from these allottees and instead decided to treat them as defaulter allottees. Accordingly, committee decided to grant time extension for completion of construction and commencement of production from the respective scheduled dates to 31.08.2016 on payment of retention charges calculated on the revised rate of Rs.7000/- per sqm. as per prevailing rules/policy.
- iv. Allowing 8% reservation of total planned plots upto ceiling size of 2000 sqm. for entrepreneurs of SC/ST/ Women, Disabled persons, Ex-servicemen/War-widows.
- v. To allot the un-allotted vacant plots upto saturation level on prevailing allotment rate of Rs 7000/- per sqm by draw of lots after inviting applications through advertisement in newspapers subject to reservation of plots for SC/ST/women, Disabled Persons, Ex-serviceman/War-widow categories of entrepreneurs as decided by the IDC as per para (iv) above and to allow up-front concession as per policy of the Corporation.

Item 7: Revision in rate of allotment of Industrial Area, Phase-IV, Bhilwara

The Committee discussed the agenda and, in order to have uniform decisions on two similar issues, reviewed its earlier decision dated 24.5.2013 and accorded approval to fix additional rate of allotment @ Rs.185/- per sqm. towards enhanced compensation amount and to recover it from the existing allottees of Industrial Area, Bhilwara, Phase-IV, as per Clause 2 (aa) of the lease agreement.

Item 8: Regarding disbursement of cash compensation from the available balance funds to the affected parties/litigants related to the IOC fire incident - reference made by Genus Group.

The Committee discussed the agenda and accorded approval as follows:

- i. To honour the order dated 29.04.2011 passed by Hon’ble Rajasthan High Court in S.B. Civil Writ Petition No. 1570/2010 and 1573/2010 and to distribute proportionately the amount of Rs.50 crores received

from IOC in the manner indicated in the public notice dated 11.12.2009 to all the affected units by lifting ceiling of Rs. 1.00 crore as mentioned in the Order dated 1.2.2010. However, for enabling action as above, requisite approvals of the State Government, if any, be obtained separately.

- ii. Not to consider claims from six units who did not submit their claims within the cut-off date and their claims have already been rejected by the Hon'ble Rajasthan High Court vide order dated 29.4.2011.
- iii. Interest earned on funds received from IOC may not be distributed for the time being. Any additional financial burden on account of the cited settlement, legal expenses and other eventualities as might crop up subsequently may be met out from the interest earned.

Item 9: Ex-post-facto approval of the decision taken by the management regarding benefit of 2% rebate on proportionate basis on balance 75% cost of land on allotments of commercial plot nos. CP-1 to CP-4 through auction at industrial area, Jhunjhunu.

The Committee discussed the agenda and accorded ex-post-facto approval for allowing benefit of 2% rebate on proportionate basis on balance 75% cost of land in respect to commercial plot nos. CP-1 to CP-4 allotted through auction at Industrial area, Jhunjhunu.

Item 10: Ex-post-facto approval of the decision taken for execution of lease deed in favour of SPV of DMICDC Ltd. at Japanese Zone NIC(M), Neemrana.

The Committee discussed the agenda and accorded ex-post-facto approval for allowing execution of lease deed in the name of DMICDC Neemrana Solar Power Company Ltd. (a wholly owned subsidiary of DMICDC Ltd.) instead of DMICDC Ltd. with the exemption of payment of transfer fee subject to condition that stamp duty, if payable under the stamp laws in Rajasthan, the same will be borne by the allottee company.

Item 11: Ex-post-facto approval of the decision taken by the management regarding allotment of land in favour of Cadila Pharmaceutical Ltd. & Mankind Pharma Ltd., at I/A Kaladwas (Ext.) Udaipur before opening Industrial Area for allotment.

The Committee discussed the agenda and accorded ex-post-facto approval for issuing allotment letters for allotment of 40 acres undeveloped land to Cadila Pharmaceutical Ltd. and 25 acres undeveloped land to Mankind Pharma Ltd., at I/A Kaladwas (Ext.) Udaipur before opening of Industrial Area.

Item 12: Regarding allotment of plots at Industrial Area, Nayagaon, Pali.

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

1. Rectification of earlier decision dated 19.10.2011 for de-reserving the Nayagaon Industrial Area from Power Loom Industries to general industries including power loom industries.
2. To return the original cheques to those applicants who had submitted their applications for allotment of land in response to the advertisement dated 10.04.2012 and whose cheques have not been realized. In other cases where cheques/ bankers cheque/DD have been realized or bankers cheque/DD have not been submitted for collection, refund be made along with interest as per rules of the Corporation.

Item 13: Allotment of plot No. H-294(A) measuring 500 sqmt. at Industrial Area Punayata, Pali to Pali Urban Co-operative Bank Limited on pre-revised rate of Industrial Area.

The Committee discussed the agenda and rejected the request of the Bank to consider allotment on pre-revised rate of allotment of the Industrial Area.

Item 14: Cases of Proec Energy Ltd., Plot No.SP-232 & 233, I/A Growth Centre, Phase-II, Abu Road.

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

1. To allow a time period of three years, from the date of allotment, to commence the production activity, instead of one year allowed at the time of allotment.
2. The request of the allottee to reduce the investment limit proportionately with respect to allotted area is not considered and accordingly allottee will have to make an investment of Rs. 43.39 crore as committed at the time of allotment and time extension for achieving the required investment will be allowed on payment of applicable charges as per provisions of Rule 3(W).
3. In case the allottee wishes to restrict minimum investment of Rs.20 crores then proportionate surplus land have to be surrendered to the Corporation. Cost of surrendered surplus land will be refunded on the rate on which the plot was allotted, without any deduction.
4. Allowing admissible rebate for large size plot to make parity with two similar cases of JD Mettalloys Ltd. and Trivedi Corporation Ltd. wherein rebate has earlier been allowed by the IDC on the ground that the allottees had filed their applications before declaring the industrial area as saturated. This rebate will be passed on to the allottee either

on making investment of Rs.43.39 crore or on surrender of surplus land with threshold investment limit of Rs. 20.00 crores, as may be opted by the allottee.

Item 15: Case of Waves Aircon Pvt. Ltd., Plot No.A-56, IA Kaharani (Bhiwadi Extension).

The Committee discussed the agenda and decided to refund entire deposited amount along with interest as per the provisions in the RIICO Disposal of Land Rules, 1979, in view of the fact that the Corporation is not in a position to hand over physical possession of the plot to the allottee company.

Item 16: Case of Stride Autoparts Ltd., Plot No.SP-255, I/A Kaharani (Bhiwadi Extension).

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

- a) To consider investment of Rs.129.64 crore made towards the project upto 22.5.2013.
- b) Levy of retention charges @ 0.5% per quarter for the period 25.05.2013 to 12.02.2014 (3 quarters) for delay in commencement of production activity.

Item 17: Case of Reeve Threads Pvt. Ltd., Plot No. G1-613 (B,C,D), I/A Khushkhera, Bhiwadi-II.

The Committee discussed the agenda and noted that RFC has provided loan assistance to the allottee for which it had also mortgaged with RFC the land to secure the loan. Reportedly, there are outstanding dues of RFC.

In view of above the Committee suggested that, at first instance, a tripartite arrangement be worked out between RIICO, RFC and allottee company to spell out the modalities for ensuring deposition of dues of RIICO and RFC by the allottee from the sale proceeds of the part plot for which they have already made a request to the unit office for sub-division in two parts. The committee further deliberated on the payable amount of retention charges and decided that Rs. 18.01 lacs alongwith interest till date of payment will only be recovered as decided by the waiver committee.

Item 18: Case of transfer of plot No. Q-4 allotted to All Indian Induction Furnaces Association at industrial area Bhiwadi to another Association namely Bhiwadi Ispat Chamber.

The Committee discussed the agenda and accorded approval for allowing transfer of lease hold rights in favour of the purchaser Association on payment of transfer charges @ 2% of the prevailing rate of allotment of the Industrial Area.

Item 19: Case of M/s Jaya Properties Pvt. Ltd., Plot No. G1-84, 85 measuring 2370 sqm. for setting up of Hotel at Industrial Area Kherda, Sawai Madhopur for waiver of retention charges due to litigation with RFC.

The Committee discussed the agenda and observed that the matter pertaining to disbursement of loan from RFC was in dispute since 1988 and was also pending in various courts i.e. High Court and Supreme Court since 1996 to April 2013. After deliberations committee decided not to levy retention charges from scheduled date of 10th June 1993 to 15th April 2013 i.e. date on which settlement was reached between RFC and allottee. The allottee will, however, pay retention charges payable from 15th April 2013 as per rules.

Item 20: Re-allotment of plot No. C-26 (C) at Malviya Industrial Area, Jaipur to Sunshine Drinks Pvt. Ltd.

The Committee discussed the agenda and in pursuance to provisions of Rule 24 (4) of RIICO Disposal of Land Rules, 1979, decided for re-allotment of cancelled plot No. C-26 (C) at Malviya Industrial Area, Jaipur to Sunshine Drinks Pvt.Ltd., on preferential basis, strictly for industrial use, at 1.25 times of prevailing rate of allotment of the industrial area, subject to the condition that the allottee will establish an industrial unit on the plot and transfer of vacant plot will not be permitted before commencement of production activity as per rules. Further, the share holding of present promoters will not be diluted below 51% before commencement of production activity. The above approval is further subject to condition that the existing constructed structure will have to be modified as per permissible setbacks norms of the Corporation.

Item 21: Case of M/s. Pareek Brothers, Plot No. H-69, J-96 & 97 measuring 1000 sqm. at Industrial Area, Karni Agro, Bikaner for waiver of part miscellaneous charges due to enhancement of rate of allotment of industrial area.

The Committee discussed the agenda and accorded approval to levy the applicable retention charges on pre-revised allotment rate in view of the fact that allottee's appeal under rule 24(2) of the RIICO Disposal of Land Rules, 1979 for restoration of plot was pending since Sept. 2013 and decided on 7.3.2014, accordingly excess deposited amount will be refunded without interest.

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