

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

**Minutes of** : 1/2019 –Infrastructure Development Committee  
**Venue** : Udyog Bhawan, Jaipur  
**Day & Date** : Friday, the 1<sup>st</sup> March 2019  
**Commencement/Completion time of meeting** : 5.00 P.M. /5.45 P.M.

**Present :**

Shri Kuldeep Ranka	Chairman
Shri K.K. Pathak	Commissioner Industries
Shri Gaurav Goyal	Managing Director, RIICO

All the above directors were present throughout the meeting.

Shri D.K.Sharma, Secretary was in attendance. Shri Pukhraj Sen, Advisor (Infra); Ms. Anupama Sharma, Financial Advisor; Shri R.K. Limba, GM (Finance); Shri Rajendra Singh, GM(Civil); Shri S.K. Gupta, Addl. GM (P&D) and Shri D.K.Sharma, Sr.DGM (P&D) were also present.

**LEAVE OF ABSENCE**

The Committee granted leave of absence to Smt. Urmila Rajoria, MD RFC, who had intimated her inability to attend the meeting.

**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 12<sup>th</sup> December 2018.**

The minutes of the last meeting of Committee held on 12<sup>th</sup> December 2018 were noted.

**Item 2 : Action Taken Report on the decisions of the previous meeting of the Committee held on 12<sup>th</sup> December 2018**

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

**Item 3: Ex-post-facto approval of the decision taken by the Management to delegate powers to Unit Heads for disposal of pending matters during “Fast Track Disposal Camp” to be organized from 01.03.2019 to 30.6.2019.**

The Committee discussed the agenda and, in order to facilitate prompt disposal of pending matters of the entrepreneurs, accorded ex-post-facto approval of the decision taken by the Management to delegate powers to Unit Heads for disposal of pending matters during “Fast Track Disposal Camp” to be organized from 01.03.2019 to 30.6.2019, as per office order No. IPI/P-5/52/2016-17/1497 dated 27<sup>th</sup> February 2019.

**Item 4: A. To extend the time limit for construction of Rain Water Harvesting Structure (RWHS) without levy of any penalty up to 30.6.2019.**

**B. Partial amendment in the provision related to issue of NOC for availing financial assistance after deposition of lump-sum penalty due to non construction of RWHS.**

The Committee discussed the agenda and in order to provide relief to the entrepreneurs accorded approval to the following:

- (i) To extend the time limit up to 30.6.2019 for construction of RWHS without levy of any penalty for all allottees having plot area of 500 sqm. or more and have utilized plot either before 30.9.2011 or after 30.9.2011. However, the cases wherein retention charges/lump-sum penalty has already been deposited, on account of delay in construction of RWHS, will not be re-opened.
- (ii) To partially amend one of the existing norms related to levy of lump-sum penalty for considering their request for various permissions/NOC even without construction of RWHS, as under:

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<b>Existing Norms</b>	<b>Amended Norms</b>
<p>Allottees who have already utilized the allotted plot, their request for transfer of plot/change in constitution/change in land use/ No Objection Certificate etc. will be considered without having RWHS in their premises on payment of lump-sum penalty as prescribed in office order no. 08/2017 dt. 02.08.2017.</p>	<p>Allottees who have already utilized the allotted plot, their request for transfer of plot/change in constitution/change in land use/No Objection Certificate etc. will be considered without having RWHS in their premises on payment of lump-sum penalty as prescribed in office order no. 08/2017 dt. 02.08.2017.</p> <p>Provided that if NOC is required for any Financial Institution to provide financial assistance to the allottee concerned, it will be issued irrespective of the requirement of construction of RWHS by the allottee or payment of penalty thereof but obligation for construction of RWHS shall be on the allottee as per the provisions. At the same time, other requests for transfer of plot/change in constitution/change in land use, etc. shall be done on compliance of condition of construction of RWHS /payment of penalty.</p>

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Looking to the fact that Fast Track Disposal Camps have already been started from today, i.e. 1.3.2019, the Committee directed for issuance of office order for this agenda item, without waiting for the release of minutes, so that maximum entrepreneurs may get early benefits of the decision.

**Item 5: Review of premium of land being charged by the State Government on account of allotment of government land to RIICO for setting up of industrial areas.**

The Committee discussed the agenda. The Committee was informed that the Revenue Department vide notification dated 11.5.2017 and by amending Rule 11-A(ii) has increased premium to be charged for allotment of government land for industrial purpose from 25% of prevailing market rates to 100% market rates (DLC), whereas the history of rate of charging premium would show that the State Government has continuously been reducing rate of premium to be charged on allotment of government land to RIICO, earlier. As a result of steep increase in the rate of premium to be paid by RIICO for government land, the land cost will increase substantially to the entrepreneurs, who are raising demand for reduction in rate of allotment by the Corporation. It was further informed that the State of Madhya Pradesh is providing government land to MPSIDC free of cost basis.

In view of above, the Committee decided to request the State Government to reconsider its decision dt. 11.5.2017, regarding increasing the rate of premium to be charged for allotment of government land for industrial purpose from 25% of prevailing market rate to 100% market rate, and resume the previous policy of allotment of land at 25% of the agriculture DLC.

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**Item 6: Policy regarding transfer of land from Development Authorities/UIT/Municipal Bodies/BIDA to RIICO for industrial purpose in urban areas.**

The Committee discussed the agenda at length and noted that UDH, vide order dated 16.4.2015, has provided that Urban Bodies including Rajasthan Housing Board shall provide land to RIICO at prevailing DLC rates or reserve price of residential land, whichever is lower. Besides payment towards cost of land and lease amount to Development Authorities/UITs/Municipal Bodies; conversion charges are also payable by RIICO if private land is purchased directly from the khatedars. All these factors have resulted in to increase in land cost many folds.

Given the background, the Committee accorded approval for the following:

1. UDH & LSG Departments may be requested to frame a policy for allotment of government land falling within jurisdiction of Development Authorities/UITs/Housing Board/ Municipal Bodies to allot lands belonging to local bodies on 25% of prevailing DLC rates of agriculture land of area concerned.
2. Lease rent should not be charged form RIICO on all such allotted lands.
3. Revenue Department may be requested to waive conversion charges to be levied and conversion process on account of change of land use from agriculture to non agriculture purposes for lands purchased by RIICO/being developed by RIICO.

**Item 7: Administrative Sanction for Development of new Industrial Area, Tinwari, Distt. Jodhpur.**

The Committee discussed the agenda and accorded approval of Administrative Sanction for Development of new Industrial Area, Tinwari,

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Distt. Jodhpur, at an estimated cost of Rs. 11740.39 lakh, as per the cost sheet attached to the agenda note.

**Item 8: Reducing the rate of Service Charges of industrial area Saloda, Gangapur City, Distt. Sawai Madhopur.**

The Committee discussed the issue in detail with RIICO Officers present in the meeting. It was observed that a policy decision was taken by RIICO in the year 2012 to fix service charges @ 1% of the prevailing rate of allotment rate, subject to maximum of Rs.5/- per sqm. per year and a minimum of Rs. 1000/- for an industrial plot per year. Following the policy of annual increase of 10% in service charges, certain anomalies have developed in the present system of service charges. A number of representations have been received and Hon'ble Industries Minister has also given instructions to rationalise the rate of service charges of Gangapur City industrial area and other similar industrial areas. In light of overall macroeconomic scenario, negligible increase/ even decrease in market prices of land, EoDB/BRAP and aggressive investment promotion by various State leading to cut through competition among States for attracting investments, there is an imminent need to revisit and review the service charges policy of RIICO. In certain cases, the rate of service charges is dis-proportionately high and has become an impediment in attracting investment and promoting industrialization.

It is quite important to note here that industrial area Gangapur City, Industrial Area Hindaun City, Industrial Area Deoli, Industrial Area Newai, Industrial Area Malviya Nagar, Industrial Area Mansarovar, Industrial Area Bhiwadi and Industrial Area VKIA have same rate of service charges today whereas the level of growth & development in these areas is not comparable at all.

The rate of service charges should be decided in such a manner that on one hand sufficient service charges are collected for maintenance and up-keep of every industrial area whereas on the other hand the rate of service charge does not



become an impediment to growth. Various factors like prevailing market prices, level of infrastructure development, maintenance and up-keep requirements, location, nature of existing industries, number of vacant plots etc. shall be taken into account while deciding optimum rates of service charges of every industrial area. There is further need to have a clear, transparent and participative policy regarding use of service charge amount collected from various industrial areas. As a policy, service charges collected from particular industrial areas shall be fully utilized for maintenance and up-keep of respective industrial areas only. Further, in light of new practices/ development in the sector of infrastructure and finance, there is need to explore the possibilities of alternative maintenance systems from tax planning point of view as well.

Therefore an in-principle decision was taken to revisit and review the existing policy and draft a new comprehensive policy of service charges. Managing Director shall constitute a committee which shall examine the issue in detail, study practices of other States and Private sector, and prepare a draft policy for consideration of IDC in the next meeting. The TOR for the Committee shall be as follows :

1. Rationalisation of the rate of service charges.
2. Participative and decentralised decision making regarding use of collected service charges amount.
3. Alternative Financial Models from tax planning point of view.

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

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CHAIRMAN

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