

**Rajasthan State Industrial Development & Investment
Corporation Ltd., Udyog-Bhawan, Tilak-Marg, Jaipur-302005**

No: IPI/P-5/2013/46 | 144

Dt: 26, April, 2018

CIRCULAR

Sub: To deal the cases wherein no information was given to RIICO before sub-letting in accordance with provisions of Rule 16(1) and prior permission was not sought for sub-letting of plot/building prior to commencement of production activity under Rule 23(E) of Rules of 1979.

Rule 16 (1) of RIICO Disposal of Land Rules, 1979 provides that the allottee of an industrial plot may be allowed to sub-let the plot/constructed premises for industrial purposes only for any period subject to payment of outstanding dues. However, the Allottee shall inform RIICO through registered A/D letter/Speed post before sub-letting the plot/constructed premises. Further, Rule 23(E) provides that in case of industrial plot allotments where the Corporation has permitted allottees for sub-letting of the plot/shed, in advance, prior to commencement of production activities, retention charges shall not be levied for the period of sub-letting, in case of delay in commencement of production activities by the Allottee.

While examining of few cases reported to the Head Office related to sub-letting of plot/constructed premises without prior intimation/permission of RIICO, following have been observed:-

1. The allottee concerned neither informed RIICO before sub-letting of plot/constructed premises nor sought prior permission of RIICO before sub-letting of the plot/shed in advance prior to commencement of production activities.
2. Site reports were taken after expiry of scheduled time period for commencement of production activity and it was found that though unit in production but the production activity



was being carried out by the tenant and not by the original allottee, therefore, the plot could not be treated in production by the Unit Office concerned as per prevailing rules and resulting thereof, show-cause notice(s) was issued for non-commencement of production activity by the such allottee within scheduled time period.

3. In reply to the show-cause notice, the Allottee informed unit office that the premises was given to some other company/firm on rent or sub-letting basis and request was made for giving permission for renting out of his premises at this juncture. However, the request was not considered due to violation of the provisions of the abovementioned rules and even allotment of plot was cancelled by the unit office in one case.

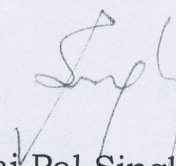
The Management of the Corporation, while deciding the above cases, was of the view that in such cases though allotted plot was utilized for the purpose, it was allotted but the allottee made only one mistake that no information was given by him to the unit office before sub-letting the premises and also no prior permission was sought for sub-letting of the plot/shed as provided under Rule 16 (1) and 23(E). However, in light of the provisions of Rules mentioned above, the production activity of tenant would have taken into consideration. Further, the management of the Corporation was also of the view that once principles have been laid down in some identical nature of cases while taking decision on the request of the party, then there is need to follow such principle in other identical nature of cases after taking into consideration the ground situations instead of taking different decision in every case.

Accordingly, directions are hereby issued to all the Unit Offices that whenever such type of cases will be brought for decision, then these cases will be referred to the Head Office for taking decision by citing principles already laid down by the Management in similar nature of cases as follows:-



1. Not giving information to RIICO as required under rule 16 (1) before sub-letting of plot/constructed premises will be condoned and **information given later on will be deemed as date of information of sub-letting.**
2. The Allottee shall be liable to pay retention charges for the period starting from the next day of schedule date for commencement of production activity and up-to the date of information of sub-letting. The above retention charges will be deposited within one month from the date of issuance of demand notice by the Unit Office concerned.
3. The date of information of sub-letting in the unit office later on shall be deemed to be the date of permission of sub-letting of plot/shed for the purpose of rule 23 (E) of RIICO Disposal of Land Rules, 1979 and no retention charges will be levied from the next day of information of sub-letting till continuation of sub-letting. However, the Allottee will be liable to pay lump-sum penalty as provided in the lease-agreement for not obtaining prior permission of RIICO.
4. The Allottee shall be required to commence production activity independently either during the period of sub-letting or immediately on termination of the sub-letting.
5. In case, the Allottee commences production after termination of subletting then, retention charges shall be payable from the date of termination of sub-letting up-to the date of commencing production by the Allottee, if applicable.

This bears approval of the Managing Director.


(Vijai Pal Singh)
Advisor (Infra)

Copy to:

1. FA/Advisor (A&M)
2. Secretary