

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

No: IPI/P-6/Policy/1/2015 / 1374
Dt: 24 Sept., 2015

OFFICE ORDER (22/2015)

**Sub: Policy for allotment of land/already made to SPV/Applicant
Company under Cluster Development Scheme of Govt. of
India..**

The IDC vide item (3) of its meeting held on 09.09.2015 has accorded approval of mode of allotment of land to SPV/Company(s) and modalities thereof under the 'Cluster Development Scheme' of Government of India including modalities for the land already allotted to SPV(s)/Company(s) under such schemes as under:

A. New Land Allotment to SPV/Company(s):

**1. Modalities of land allotment - RIICO vis. a vis. SPV/Applicant
Company(s) i.e. AC:**

- 1.1 Land will be allotted to the SPV/AC on developed or semi developed or undeveloped basis, as the case may be;
- 1.2 The land shall be allotted on "as is where is" basis when land is allotted on undeveloped/semi developed basis. The allotment shall be made on lease basis which term shall not be exceeding more than 99 years, in any case.
- 1.3 The cost of land will be deposited by the SPV/AC as per time schedule decided by the Corporation, on case to case basis. In case of default, the Corporation shall have right to cancel the allotment and determine the Lease Agreement and SPV/ AC will be liable for the same.
- 1.4 The SPV/AC shall deposit an amount equal to 10% of total land cost in addition to land cost towards security money for securing future maintenance in shape of Bank Guarantee/FDR in favour of the Corporation. However, said bank guarantee/FDR shall be released by the Corporation

wwl-

after completion of 5 years from the date of development of said Cluster/Park/Project.

- 1.5 Possession of land will be handed over within 30 days from the date of deposition of full cost of land or within 30 days from the date of allotment, if balance payment of cost of land is permitted to be deposited in installments. Service charges as may be decided by the Corporation from time to time shall be deposited by the SPV/AC in advance by 31st July of every Calendar year.
- 1.6 The SPV/AC shall deposit the Economic Rent of the entire allotted land area as per the rate prescribed by the Corporation/State Govt. from time to time, within 120 days from the date of issuance of the allotment letter for current financial year and latest by 31st July for subsequent financial years.
- 1.7 The allotted land shall only be used for the purpose for which it is allotted or permitted use as mentioned in the allotment letter/Lease Agreement issued by the Corporation.
- 1.8 The allotment of land would only be made to any SPV/AC when its proposed project is sanctioned in-principally, by the respective department/agency of the GoI/GoR under the relevant scheme. In case, any directions are issued or conditions are imposed by the GoI/GoR, the same shall be adhered by the SPV/AC.
- 1.9 The SPV/AC or its sub lessees shall not be permitted to run any illegal trade, business and obnoxious industries on the said allotted land. If it is found at site, the Corporation shall have right to cancel the allotment without giving any further notice or information in this regard.
- 1.10 In case of surrender of part or full allotted land by SPV/AC, due to any reason, such as change in policy by the Government, change in technology, change in prevailing law etc., land cost deposited by the promoter/ developer at the time of allotment, to the extent of land area will be paid without interest by the Corporation.
- 1.11 In the Board of Directors or Governing Body of the SPV/AC, one nominee should be from the Corporation preferably the

WJ

concerned Unit Head of RIICO but no civil/criminal liability shall be borne by the said nominee officer of the Corporation.

- 1.12 In case of dispute regarding interpretation of the terms and conditions of allotment/lease agreement, the matter shall be resolved amicably instead of approaching to Court of Law directly. In such cases, matter shall be referred to Chairman, RIICO or Principal Secretary, Industries, as the case may be, for adjudication.
- 1.13 The other issues which are not covered in this policy shall be governed in accordance with RIICO Disposal of Land Rules, 1979, as amended from time to time.

2. Infrastructure development by SPV:

- 2.1 It shall be exclusive responsibility of the SPV/AC to develop internal infrastructure at its own cost.
- 2.2 The SPV/AC shall get the lay out plan of allotted land approved from the Corporation before carrying out any development activity on the allotted land.
- 2.3 The Corporation will preferably indicate maximum permitted use of land in site plan at the time of allotment.
- 2.4 The SPV/AC shall submit the detailed development plan before carrying out infrastructure activity. After examining the development plan submitted by SPV/AC, necessary permission will be issued by the Corporation. The Corporation shall have right to issue necessary directions for maintaining requisite specifications along with right of amend/change thereof depending upon need of the area/project.
- 2.5 After completion of development works at site, SPV/AC should obtain 'Completion Certificate' from the Corporation.
- 2.6 The allotment of land to SPV/AC will be made subject to condition that requisite clearances/consents with regard to Environment Clearance/pollution shall be obtained directly by the SPV/AC from the concerned authority/department such as MoEF/CPCB/RPCB etc.
- 2.7 No disposal of effluent shall be allowed in the storm water drain, if constructed by the Corporation in the industrial area adjacent/nearby to the allotted land.

ww—

- 2.8 The SPV/AC and its sub lessee shall have to maintain the status of zero discharge in their respective unit to be set up on allotted land or part thereof.
- 2.9 In case any power/telephone/gas pipe line is passing through the allotted land, the Corporation does not undertake any responsibility for its removal. The SPV/AC and its sub-lessee will be required to plan/modify their construction accordingly after leaving prescribed setbacks/safe distance whatever determined by respective authorities.

3. Terms & conditions between Lessee and Sub-Lessee:

- 3.1 The SPV/AC shall be allowed to sub-lease the permissible saleable area of allotted land to the members of SPV/AC only strictly in accordance with lay-out plan approved by the Corporation for remaining lease period from the date of allotment to SPV/AC on such terms and conditions, as may be mutually agreed between the SPV/AC and its sub-lessee but such conditions shall not be beyond the conditions of allotment as well as Lease Agreement or co-terminus with allotment letter/Lease Agreement of SPV/AC.
- 3.2 The terms and conditions for sub leasing will be decided by the SPV/AC and its sub lessees mutually but strictly in accordance with RIICO Disposal of Land Rules, 1979 (as amended from time to time). However, the terms and conditions applicable on which allotment is made to the SPV/AC and lease agreement to be executed between the SPV/AC, shall also mutatis-mutantis apply to every sub lessee of the SPV/AC.
- 3.3 No Lease Agreement shall be executed by the Corporation directly in favour of sub lessees of the SPV/AC. However, format of Sub Lease to be executed between SPV/AC and its allottee members shall be got approved by the Corporation before execution of same. However, condition relating to sub leasing shall be incorporated in sub-lease agreement to be executed with respective sub-lessee by the SPV/AC.
- 3.4 The SPV/AC shall furnish the information about leased out area of land along with details of its sub-lessees within 30

wul

days from the date of execution of sub-lease in favour of them.

- 3.5 In the event of cancellation of allotment made to the SPV/AC and determination of lease agreement pertaining to said allotted land by the Corporation, the sub-leases executed by the SPV/AC in favour of its members/sub-lessee shall stand determined & nullified automatically and entire land shall vest with the Corporation without any further orders. In such event, the Corporation shall not be liable to pay any damages, cost etc. to the SPV/AC or its sub-lessee.
- 3.6 The Corporation shall not be answerable to any dispute arising between SPV/AC and its sub-lessees and no request for time extension shall be entertained on this ground alone.
- 3.7 It will be sole responsibility of SPV/AC to follow the rules and regulations of the concerned department regarding the registration of lease agreement or sub-lease agreement with the respective departments of the State Government.

4.0 Utilization of land and time extension:

- 4.1 The SPV/AC shall complete the development of Park/Project with all requisite infrastructures in accordance with approved lay-out plan within 3 years from the date of taking over possession of land. It shall be exclusive responsibility of the SPV/AC to develop and maintain the allotted area at good condition within its internal peripheral limits and the Corporation shall neither be liable to develop & maintain the allotted land nor bear any cost towards said development and maintenance even in future.
- 4.2 In case of any extension of time limit is required by the SPV/AC for development of the park/project beyond the stipulated period, the same may be considered by the Managing Director of the Corporation depending upon merit of each case with or without payment of retention charges as applicable from time to time.

mwj

- 4.3 The sub lessees of SPV/AC shall commence the production activity on the land allotted to it within a period of 5 years from the date of handing over possession of land to the SPV/AC by the Corporation, irrespective of date of execution of Lease Agreement with SPV or date of sub lease agreement in favour of its sub-lessee(s).
- 4.4 Production activity of the sub-lessee will be verified as per norms prescribed under RIICO Disposal of Land Rules, 1979 along with amendments made therein from time to time.
- 4.5 In case, any time extension is granted for development of park/project beyond stipulated period, than, period for setting up of an individual unit by the Sub-Lessee will extend automatically up-to such extended time period.
- 4.6 Change of land use will not be permitted on request of the SPV/AC once the lay out plan is approved by the Corporation; unless the Corporation is satisfied that change of land use is essentially required for the park/project. But in any case, no change of land use is permitted beyond prescribed limit of particular use.
- 4.7 If the SPV/AC fails to complete the requisite infrastructure on the allotted land, within a period of 3 years or its sub lessees fails to commence the production activity within a period of 5 years from the date of taking over possession of land by the SPV/AC, retention charges shall be levied on or recoverable from the SPV/Allottee Company as under:
- a) Retention charges @ 1% per quarter or part thereof shall be applicable on the SPV/AC for non-completion of the development works on the allotted land. Calculation of the retention charges shall be made on the prevailing rate of allotment of the industrial area concerned. However, where no rate of allotment of the area is fixed, retention charges shall be calculated on the prevailing rate of allotment of the adjoining/nearest industrial area of the Corporation.
 - b) Retention charges @ 1% per quarter or part thereof shall be applicable on the SPV/AC for land area lying un-utilized by the

end—

sub-lessee(s) of SPV/AC and on un-allotted area in the park/project. Calculation of retention charges shall be done on the prevailing rate of allotment of the area concerned. However, where no rate of allotment of the area is fixed, retention charges shall be calculated on the prevailing rate of allotment of the adjoining/nearest industrial area of the Corporation.

B. For the cases in which allotment of land has already been made to SPV/Applicant Company(AC):

1. In cases, where land has already been allotted to the SPV/AC for development of 'Cluster/Park/Project' and the SPV/AC has not completed the requisite infrastructure as per approved lay-out plan within prescribed time limit given in allotment letter, one year additional time period from the date of intimation to the SPV/AC will be allowed to complete the requisite infrastructure without levy of retention charges.
2. In case, the SPV/AC fails to complete the infrastructure facilities within the above extended time period of one year, then, the retention charges will be levied on the SPV/AC from the date of expiry of said one year up-to the date of completion of infrastructure/development works as per approved lay-out plan. The rate of retention charges will be same as mentioned at Para 4.7(a) above.
3. In case the individual sub-lessees of SPV/AC could not utilize the land allotted to them or any part of land allotted to SPV is lying un-allotted with SPV/AC, 2 years time period from the date of intimation to the SPV/AC will be allowed for setting up of individual units by its sub-lessee(s)/to utilize the un-allotted land area lying with SPV/AC, without levy of retention charges.
4. In case, the sub-lessee(s) fails to set up their individual unit/un-allotted land area is not utilized by the SPV/AC within the above mentioned 2 years period, then, retention charges will be levied as per Para 4.7 (b) above, and it will be exclusively responsibility of the SPV/AC to pay such retention charges to the Corporation.


(Lalit Kumar)
Advisor (Infra)

Copy to:

1. FA/Advisor (A&M)
2. Secretary
3. CGM (Investment)
4. GM (BP)
5. GM (Infra/Fin/PR)
6. GM (Civil/Technical)
7. OSD (Land)/ Sr.DGM (New Delhi, RIICO)
8. AGM (Finance)/Sr.DGM (Finance)
9. ✓ Manager (IT) – for uploading on website.
10. DGM (Law)(GNJ)/DGM (Law)(SS)/Dy.Mgr.(Law)(AG)/Sr.LO(NK)
11. All Unit Heads -----
12. P&D Cell Officers:
Sr.DGM (P&D) (SKS)/(SKG) /Sr.RM (SPS)
13. RM (P&D)(VA)/RM (M&C) /Dy. Mgr (Infra-I/II)
14. STP/DTP
15. SO (SRK)

Copy also to:

1. Sr. PS to Chairman, RIICO
2. APS to MD, RIICO
3. APS to Advisor (Infra)


Sr. DGM (P&D)