


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

No: IPI/P-6/Policy/4/2012/Pt.II/1352
Dt: 30 June, 2022

OFFICE ORDER (13/2022)

Sub: Review of policy for allotment of land to the SPV/Companies for development of the cluster under Cluster Development Scheme of Govt. of India and the provisions related to stipulations/regulations for the SPVs/Companies to whom land has already been allotted for the Cluster Development incorporated in RIICO Disposal of Land Rules, 1979 as Form-J.

An agenda was placed before the IDC vide item (3) of its meeting held on 14.06.2022. The IDC has accorded approval for review and amendment in the policy for allotment of land to the SPV/Companies for development of the cluster under Cluster Development Scheme of Govt. of India and the provisions related to stipulations/regulations for the SPVs/Companies to whom land has already been allotted for the Cluster Development incorporated in RIICO Disposal of Land Rules, 1979 as in Form-J, as per Annexure-B to the agenda note. Accordingly, as per approval of the IDC, the amended provisions of Form-J will be as per **Annexure-A** annexed herewith.


(Dr. Arun Garg)
Advisor (Infra)

Copy to:

1. FA/Advisor (A&M)
2. Secretary
3. CGM(Finance)
4. CGM (Infra/Fin/PR)/
5. GM(BP)/ GM (Civil)/GM (EM)
6. OSD (Land)
7. DGM (IT)- for uploading on website.
8. Sr. DGM (Law) /DGM (Law)
9. STP/DTP
10. All Unit Heads -----
11. P&D Cell Officers:
GM (P&D)
12. Addl. GM (P&D)

13. Sr.DGM (P&D)
14. Sr.RM (P&D)/RM (P&D)
15. Dy. Mgr (P&D)

Copy also to:

- (i) PS to Chairman, RIICO
- (ii) PS to MD, RIICO
- (iii) PS to Advisor (Infra)


General Manager (P&D)

Annexure-A

Amended Provisions in **Form-J** of RIICO Disposal of Land Rules,
1979

- (A) Policy for allotment of land to the SPVs/Companies for development of the Clusters under *Cluster Development Scheme of Govt. of India..*
- (B) Stipulations/Regulations for the SPVs/Companies to whom land has already been allotted for the Cluster Development.
- (A) **New Land Allotment to SPV/Companies:**
1. **Modalities of land allotment:**
- 1.1 Land will be allotted 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 premium of land will be deposited by the allottee 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.
- 1.4 The allottee shall deposit an amount equal to 10% of total premium of land in shape of Bank Guarantee/FDR in favour of the Corporation as security, in addition to premium of land for securing future maintenance. However, said bank guarantee/FDR shall be released by the Corporation 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 allotment. Service charges as may be decided by the Corporation from time to time shall be deposited by the allottee in advance by 31st July of every Calendar year.
- 1.6 The allottee shall deposit the Economic Rent of the entire allotted land area as per the provisions under rule 9 of these rules.



- 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/Company when its proposed project is sanctioned in-principle, 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 to by the SPV/Company.
- 1.9 The allottee 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 allottee SPV/Company, due to any reason, such as change in policy by the Government, change in technology, change in prevailing law etc., Premium of land deposited by the allottee at the time of allotment, to the extent of land area surrendered, will be refunded without interest by the Corporation after deductions as per the provisions of rule 18 (g) of these rules.
- 1.11 In the Board of Directors or Governing Body of the allottee SPV/Company, one nominee should be from the Corporation preferably the 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 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 the allottee SPV/Company :**
- 2.1 It shall be exclusive responsibility of the SPV/Company to develop internal infrastructure at its own cost.

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- 2.2 The SPV/Company 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/Company shall submit the detailed development plan before carrying out infrastructure activity. After examining the development plan submitted by SPV/Company, 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/Company should obtain 'Completion Certificate' from the Corporation.
- 2.6 The allotment of land to SPV/Company will be made subject to condition that requisite clearances/ consents with regard to Environment /Pollution Clearances shall be obtained directly by the SPV/Company 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.
- 2.8 The SPV/Company 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/Company and its sub-lessee will be required to plan/modify their construction accordingly after leaving prescribed setbacks/safe distance as determined by the respective authorities.

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

- 3.1 The SPV/Company shall be allowed to sub-lease the permissible saleable area of allotted land strictly in accordance with lay-out plan approved by the Corporation for remaining lease period from the date of allotment to SPV/Company on such terms and

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conditions, as may be mutually agreed between the SPV/Company 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/Company.

- 3.2 The terms and conditions for sub leasing will be decided by the SPV/Company 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/Company and lease agreement to be executed between the SPV/Company, shall also mutatis- mutandis apply to every sub lessee of the SPV/Company.
- 3.3 No Lease Agreement shall be executed by the Corporation directly in favour of sub lessees of the SPV/Company. However, format of Sub Lease to be executed between SPV/Company and its allottee members shall be got approved from 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/Company.
- 3.4 The SPV/Company shall furnish the information about leased out area of land along with details of its sub-lessees within 30 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/Company and determination of lease agreement pertaining to said allotted land by the Corporation, the sub-leases executed by the SPV/Company 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/Company or its sub-lessee.
- 3.6 The Corporation shall not be answerable to any dispute arising between SPV/Company 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/Company to follow the rules and regulations of the concerned department regarding the registration of

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lease agreement or sub- lease agreement with the respective departments of the State Government.

4. Utilization of allotted land and time extension:

4.1 The allottee SPV/Company 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 allottee SPV/Company to develop and maintain the allotted area at good condition within its internal peripheral limits and the Corporation shall neither 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 allottee SPV/Company 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.

4.3 The sub lessees of allottee SPV/Company shall complete construction and commence the production activity on the plot allotted to it within a period of 3 years from the date of registered sub-lease deed in favour of sub-lessee.

Provided that in case sub-divided plot is sub-leased to the sub-lessee prior to development of the required infrastructure facility on the plot by the allottee SPV/ Company then above period of 3 years would be reckoned from the date of declaring the park/project as developed.

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 Deleted.

4.6 Deleted.

4.7 If the allottee SPV/Company fails to complete the requisite infrastructure on the allotted land, within the stipulated time period or its sub lessees fails to commence the production activity within the stipulated time period, then retention charges shall be levied from the allottee SPV/Company as under:

- a) Retention charges @ 1% per quarter or part thereof shall be applicable on the allottee SPV/Company 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 as per provision under rule 23-C of these rules will be levied from the allottee SPV/Company for regularization of delay / granting time extension for commencement of production activity beyond the stipulated time period by the sub-lessee(s) of the allottee SPV/Company. 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) Stipulations/Regulations for the existing land allottee SPVs/Companies (as on 09.09.2015).

- a. In cases, where land has already been allotted to the SPV/Company for development of 'Cluster/ Park/Project' and the SPV/Company 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/Company will be allowed to complete the requisite infrastructure without levy of retention charges.
- b. In case, the SPV/Company 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/Company 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 in Clause 4.7(a) of this policy.
- c. In case the individual sub-lessees of SPV/Company could not utilize the land allotted to them, 2 years time period from the date of

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intimation to the SPV/Company will be allowed for setting up of individual units by its sub- lessee without levy of retention charges.

- d. In case, the sub-lessee(s) fails to set up their individual unit within the above mentioned 2 years period, then, retention charges will be levied as per Clause 4.7 (b) of this policy, and it will be exclusive responsibility of the SPV/Company to pay such retention charges to the Corporation.

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