Chapter - II

INTRODUCTION AND DEVELOPMENT OF RIICO

(i) INTRODUCTION

There are various organizations associated with the Industrial Development of Rajasthan. Rajasthan State Industrial Development and Investment Corporation Limited, popularly known as RIICO is one of them, which assist in the development of large and medium industries. Rajasthan Financial Corporation (RFC), is concerned with small and medium industries. The Directorate of Industries helps small, tiny and rural industries. Bureau of Industrial Promotion (BIP) is a promotional body, engaged in the task of facilitating the process of development of industries in the state. Also, there are central organizations, which assist in the development of industries at the state-level such as Small Industries Service Institutes (SISI), Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI), and Rajasthan Consultancy Organization (RAJCON), which has been sponsored by IFCI for providing consultancy services in this area.

Entrepreneurship is essential for national wealth building. Entrepreneurial activities are important for economic development of the country. Economic development is the backbone for any nation’s prosperity, which depends on proper utilization of available resources, for this the RIICO has proved a boon to the entrepreneurs who have this skill. Rajasthan is located in the northwestern region of India; geographically it shares its border with Pakistan. The geographical area of Rajasthan is 3,42,329 square kilometers with a population of 56.47 million while the literacy rate is about 61 percent. This state, which was in the 50s and 60s considered a back word state, today, is connected very well through road in-fact most of roads are so well constructed. The railway, which was of narrow gauge, is now broad gauge with trains going from all parts of the country. The air facilities which were once limited to other parts of the country is now operating international fights Health Care has also taken a major step in the state of Rajasthan. Jaipur its capital had two government hospitals Sawai Man Singh and Zanana Hospital. To day the state apart from having a number of satellite hospitals can even boast of having a number of private hospitals, with the latest
medical facilities cities like Ajmer, Jodhpur, Udaipur too have taken strides in the medical sector.

Coming to the field of education it would not be hyperbolic to say that Rajasthan has become an educational hub, earlier with just one University and a few public schools. Today besides there are three universities, Ajmer, Jodhpur and Udaipur. There is Central University and a number of private and deemed Universities. The situation is the same in cities of Rajasthan in-fact Kota is the centre for preparation of Medical and Engineering Students. If we see an overall education change has came in all the cities of the state be it primary, secondary and higher education.

Tourism today, is termed as an industry and it is so in Rajasthan apart from the golden triangle corridor. Jaipur is connected with Agra and Delhi on east and west and most foreign tourists prefer this route. But added to this is the Palace on Wheels, which is a luxury rail destination for foreign tourist, which is weeks package, starting from Delhi including cities like Jaipur, Udaipur, Bharatpur, Jodhpur and Jaisalmer. This has not only given a boost to the tourism department, but also the hospitality sector. There are a number of five start hotels not on only in Jaipur but also cities like Jodhpur, Udaipur, Ajmer and even Jaisalmer has come up with hotels, especially for foreign tourist who want to see not only the sand dunes, but also the folk culture, cultural heritage, fairs and festivals.

Many people, who have heard of Rajasthan being a desert, would associate it with cacti, or aloe Vera or any other plants that require or which require very little water. This state has the most mustard and production. In-fact it could be termed as number one. Mooth, Beans, Soya, Bajra, Cumin, Coriander, Jowar and Fenugreek. Other agricultural products are Barley, Soybean, Cotton, Maize, Wheat, Isabgol, Herbs and medical plants and species. Rajasthan has a rich live stock as well milk producing, which the city of Bikaner is famous, in-fact this city is famous for its Rasgoolas which are even exported abroad it’s a by product of milk. Bikaner Bujia is also famous all over India.

The state has also been blessed with rich mineral wealth, like Marble, Granite, Zinc, Rock Phosphate, China Clay, Gypsum, Limestone, and Lignite. Now even natural gas in Barmer and Jaisalmer has to be explored. Apart from these products even semi precious stones mines in some parts of the state. This geographical information forms the base of how and why RIICO’s role in the estate has it relevance. From simplifying
procedures and making access to land easier, to facilitating industrial clusters and concessional credit to entrepreneurs, the Rajasthan State Industrial clusters and concessional credit to entrepreneurs, the Rajasthan State Industrial development and Investment Corporation (RIICO) has taken a number of innovative decisions in the past few years to attract investment into the state.

An apex corporation of the Government of Rajasthan, Mandated to play a catalytic role in the industrial development in the state, RIICO also develops and manages industrial areas, constantly upgrading its facilities and services to keep in step with the requirements and expectations of the entrepreneurs and women enabling. Each large, medium or small-scale enterprise gets easy access to a ready-to-use support from the agency with well-developed infrastructure facilities in the industrial areas. This apart, another unique role played by RIICO is to provide financial services to assist entrepreneurs set up their units, contributing much to accelerating the state's industrialization.

**RAJASTHAN STATE INDUSTRIAL DEVELOPMENT AND INVESTMENT CORPORATION (RIICO)**

It is an apex organization engaged in fostering growth of industrialization in the state. The Mission of RIICO is to catalyze planned industrialization in Rajasthan. It keeps pace with the industrialization process by providing complete and innovative support services to industries - industrial infrastructure, finance, consultancy and other industry related assistance. RIICO has 26. Regional Unit Office in Rajasthan, besides one Unit Office Delhi. The Rajasthan State Industrial and Mineral Development Corporation Limited (RIMDC) was incorporated in 1969 to promote industrial development in the State through providing infrastructure facilities setting up of industrial projects both in joint sector and public sector, making available financial assistance to the industrial units by way of direct participation in share capital and underwriting of shares. The exploration of mineral resources of the state was also part of its activities. With effect from 1st November, 1979 as a sequel to transfer of mineral activities to newly formed Rajasthan State Mineral Development Corporation Ltd. the functions of this corporation were confined to developing the industrial areas and for providing infrastructure facilities, term loans, equity underwriting, seed capital, interest free loans under the sales-tax scheme and central/state subsidy. With effect from 1st
January 1980 the name of the Corporation was changed to Rajasthan State Industrial Development and Investment Corporation Limited (RIICO). RIICO is a fully owned company of the Government of Rajasthan, incorporated under the Companies Act, 1956 and financial supported mainly by share capital from Govt. of Rajasthan, refinance from IDBI/SIDBI and issue of bonds and debentures. At present RIICO is included in ‘A’ Category of financial institutions and can sanction loans up to Rs. 2.50 Crore for projects with cost up to Rs. 10 Crore. All India Financial Institutions have to be contacted for projects with costs higher than Rs. 10 Crore. RIICO’s share in equity capital of joint sector projects is usually 26% and for assisted sector projects it is between 10% to 15%.

**RIICO had two subsidiary companies:**

- Rajasthan Communications Ltd. (RCL) and

- Rajasthan Electronics Ltd. (REL), which has been closed, and are now redounded, its assets have been transferred to Instrumentation Limited, Kota. It used to produce TV sets earlier.

In the field of industrial infrastructure, for industrial development of the state, RIICO is playing a useful role in accelerating the industrial growth by providing various types of assistance to the entrepreneurs. RIICO is authorized to undertake a wide range of functions, inter alia including. Promotional activities such as identifications of projects, preparation of project profile and feasibility reports. Developing industrial areas, constructing sheds and providing infrastructure facilities like roads, street lights, drains etc. Promotion and management of industries;

Grant of Financial Assistance to Industrial Unit by way of: Underwriting / direct subscription to the share-capital, seed capital (under the scheme of IDBI), interest free loans against sales tax, central/state subsidy, corporate loan, lease finance, merchant banking activities – In the category 1 merchant banker. Acting as an agent of the Sate / Central Government in operating the schemes for provisions of special incentives to industrial units. RIICO is a Category-1 merchant banker authorized by EBI. It provides technical consultancy to new entrepreneurs. Apart from the above activities, RIICO has also been discharging the following responsibilities. Undertaking field surveys for
locations of large industrial projects for the central government and for large industrial houses.

Common publicity through the industrial information pool including bringing out supplements in the leading national dailies projecting industrial growth achieved in the state, facilities and concessions available to entrepreneurs. It also organizes industrial campaigns outside State to attract prospective entrepreneurs. Acts as agency for providing common facilities in entire Udyog Bhawan Premises where RIICO, RFC, RSIC, RSMDC and DI Banks, offices are located. Over the years especially during the last 5 years, the activities of RIICO have progressively increased both in scope and magnitude. It has now become an important agency for providing infrastructure facilities and also for financing the industrial units coming up in the State.

(ii) **OBJECTIVES OF RIICO**

RIICO was formed to meet the following objectives:

a) To encourage, assist and ensure the promotion of industries with the highest value addition in the State in consonance with the state governments social and economic objectives and industrial policy.

b) To provide and ensure the provision of all necessary infrastructure (including energy and water, residential, social and commercial facilities infrastructure) to achieve the above objectives.

c) To provide appropriate financial assistance and guidance to entrepreneurs to establish industries in the State.

d) To identify and promote the entrepreneurial talent for widening entrepreneurial base in the state.

e) To provide project ideas, concepts and concrete plans for the implementation of industrial projects in the State.

f) To earn a reasonable rate of return on the funds placed at disposal of the corporation so as to ensure corporate viability and to enrich its resource base.
g) To act as a merchant banker to facilitate availability of all related services at the State level.

h) RIICO accords priority to development of social and industrial infrastructure in and around industrial areas.

i) Social infrastructure includes educational institutes, parks, post office, banks, shopping complexes, housing, etc.

(iii) **FUNCTIONS OF RIICO**

a) Identification of projects, obtaining letters of intent or industrial licenses and implementations thereof jointly with private sector entrepreneurs or on its own.

b) Preparation and operation of schemes of industrial development in Rajasthan.

c) Preparation of project profiles, project blueprints, project reports and provide consultancy.

d) Acquisition of land, development of industrial areas and allotment of industrial plots and sheds for the establishment of industries.

e) To provide assistance to industries in the form of underwriting of public issues, grant of term-loans, seed capital, interest free loans in lieu of sales tax etc.

**Functional Divisions of RIICO:** RIICO has set-up the following five divisions for its efficient working

a) **INDUSTRIAL DEVELOPMENT DIVISION**

Works for identification and promotion of projects in joint/assisted sectors and carries out appraisal of loan applications for sanction of financial assistance. This division is also entrusted with recovery of assistance granted and rehabilitation of sick industrial units.

b) **INVESTMENT DIVISION**
It acts for operating and maintaining accounts of various schemes in respect of granting financial assistance for industrial development.

c) **INDUSTRIAL PROMOTION AND INFRASTRUCTURE DIVISION**

Established for development and management of industries and industrial areas within the State of Rajasthan.

d) **FINANCE DIVISION**

It works for raising necessary financial resources and maintenance of accounts for preparation of P and L A/c. and balance sheet as required under the Companies Act.

e) **ADMINISTRATION AND CO-ORDINATION**

Work for recruitment, training, placements, etc. of the personnel and for providing congenial working environment for efficient operations.

(iv) **SOURCES OF RIICO**

a) **SHARE CAPITAL**

The Corporation started its activities with a modest share capital of Rs. 47.33 Lac in 1969.70. The share capital was raised to Rs. 1085 Lac at the end of 1979-80. It can be observed that the contribution of the State Government towards share capital of RIICO in the first 10 years averaged to about Rs. 1 Crore per year. Which increased to 140.40 Crore 1994-95. It can be seen that induction of funds in successive years has been mainly through the route of equity capital, which unduly inflated the equity base, thus disturbing the capital structure of the company. Because of this fact the corporation could not tap market and had to excessively rely upon the State government for its budgetary support which most of the time came in the form of long equity capital. At the end of 2011-2012 its share capital was Rs.21, 018.58.
b) **MARKET BORROWINGS**

In order to augment its resources, RIICO was allowed to raise funds through market borrowings by issue of debentures under the State plan quota. It made first issue of debentures of Rs. 100.00 Lacs for a period of 12 years in 1972-73 which carried interest @ 6% p.a. RIICO was allowed to issue debentures for Rs. 1.10 Crore up to 1979-80. The rate of interest had to be increased from 6.25% p.a. in 1974-75 to 6.50% in 1978-79 and in 1994-95 it was 13.50%. In 1994-95 the corporation raised in to Rs. 250 Crore @ 14.50% for providing loan to R.S.E.B. After that till 2011-12 RIICO raised 386 crore @ of 12%. This amount was raised at the behest of Government of Rajasthan as structured obligation.

c) **REFINANCE FACILITY FROM IDBI/SIDBI**

RIICO was declared as eligible financial institution for refinance from IDBI under the notification-dated 25.08.1976 for grant of term loan under IDBI refinance projects costing more than Rs. 50 Lac but less than Rs. 200 Lac. The limit was later increased to Rs. 1000 Lacs. RIICO started sanctioning assistance under this scheme from the year 1976-77, but it could not obtain reimbursement from IDBI till 1979-80. In 1979-80 it obtained refinance of Rs. 271.00 Lac against term loans and against seed capital assistance of Rs. 5.12 Lac, which increased, to Rs. 987.28 Lac and Rs. 12.94 Lac respectively in 1980-81. From 1981-82 to 1985-86 i.e. in a period of 5 years the refinance from IDBI and SIDBI against term loans increased at an average rate of about Rs. 500 Lac per annum.

This source is of limited use for RIICO as the repayment of refinance have become due whereas the repayments from borrowers are not forthcoming at the same pace. Re-scheduling of refinances, which were earlier granted, are also not forthcoming as per revised schedule hence, causing strain on the resources of the corporation. Initially IDBI was liberal in providing refinance but later on, the norms have been made more stringent and RIICO was required to provide increased margin for the term loans sanctioned by it. The refinance limits have been reduced and precisely the limits of refinance, which were 100% for projects in backward areas and 90% for projects in non-backward areas, have been reduced to 60% irrespective of location of the project.
d) **INTERNALLY GENERATED FUNDS**

The major contribution to resources has however, been from unsecured loans and share capital only, the contribution of internally generated resources was only 3.6% of total resources in 1986-87, further it improved to 15.14% in 1991-92 and 15.34% in 1994-95. The main reason for lower rate for return is the policy of corporation to take infrastructure to take infrastructure activity on no profit no loss basis. The investment in infrastructure sector yields hardly any return and whatever small return accrues by way of service charges, economic rent compounding charges; transfer premium etc. is set off against inflationary impact on development cost and maintenance of existing areas and operational expenses. On account of the fact that large part of interest income on loans remained unrealized, the corporation has changed its system of accounting from 1983-84 and followed cash basis of accounting in place of mercantile basis with reference to its term lending activity.

Besides, the other sources of funds are grants and subsidies from Government for development and maintenance of industrial areas, loan from National Capital Region Development Board, which are being used for financing infrastructure activities, and the benefit is generally being passed on to the customers. The current liabilities, by their very nature provide funds of temporary nature to RIICO, which are not useful for development financing. RIICO has thus been provided initial capital by way of share capital, which was mainly used for granting advances to promote industrial projects and the working capital requirements for the effective development of industrial areas. The corporation under its activity of development of industrial areas was selling industrial plots on easy installments and therefore, its investment in debtors increased every year. To meet this increased requirements of funds market borrowings were resorted to for the first time in 1972-73. In 1976 with the eligibility of RIICO for grant of term loans under IDBI refinance scheme, it became possible for the corporation to extent package of financial assistance which included direct participation in share capital of assisted projects besides, promotion of joint sector projects.

RIICO in the present circumstances is trying to improve the position of its internal funds by realization of accrued income. Further it has made a good amount of investment in the share capital of projects, which, it disinvested intelligently and timely may become, a good source for recycling of funds for attracting new projects.

Table No. 2.1
<table>
<thead>
<tr>
<th>S. No.</th>
<th>PARTICULARS</th>
<th>YEAR 2007-2008</th>
<th>YEAR 2008-09</th>
<th>YEAR 2009-10</th>
<th>YEAR 2010-11</th>
<th>2011-12</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>DEBENTURE AND BOAND (GAURENTED BY GOVERNMENT OF RAJASTHAN)</td>
<td>170.20 (41.30%)</td>
<td>127.53 (30.95%)</td>
<td>75.70 (18.37%)</td>
<td>38.60 (9.37%)</td>
<td>NIL</td>
<td>412.03 (100%)</td>
</tr>
<tr>
<td>2</td>
<td>SHORT TERM LOAN</td>
<td>NIL</td>
<td>1027.65 (100%)</td>
<td>NIL</td>
<td>NIL</td>
<td>NIL</td>
<td>1027.65 (100%)</td>
</tr>
<tr>
<td>3</td>
<td>OTHER LOANS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1. IDBI</td>
<td>11.07 (20%)</td>
<td>10.60 (20.03%)</td>
<td>10.60 (20%)</td>
<td>10.32 (19.50%)</td>
<td>10.32 (19.50%)</td>
<td>52.91 (100%)</td>
</tr>
<tr>
<td></td>
<td>2. SIDBI</td>
<td>2.67 (20%)</td>
<td>2.67 (20%)</td>
<td>2.67 (20%)</td>
<td>2.67 (20%)</td>
<td>2.67 (20%)</td>
<td>13.35 (100%)</td>
</tr>
<tr>
<td>4</td>
<td>GOVERNMENT OF RAJASTHAN (SECURED LOAN)</td>
<td>9.30 (20%)</td>
<td>9.30 (20%)</td>
<td>9.30 (20%)</td>
<td>9.30 (20%)</td>
<td>9.30 (20%)</td>
<td>46.50 (100%)</td>
</tr>
<tr>
<td>5</td>
<td>GOVERNMENT OF RAJASTHAN INT. FREE</td>
<td>64.75 (24.28%)</td>
<td>57.95 (21.73%)</td>
<td>50.72 (19.01%)</td>
<td>47.57 (17.84%)</td>
<td>45.67 (17.13%)</td>
<td>266.67 (100%)</td>
</tr>
</tbody>
</table>

Table number 2.1 indicates that in the year 2007-08 RIICO arranged Rs.170.20 crores Rs. through debentures and bonds than it is continuously decreased till year 2010-11 after that in year 2011-12 no debentures were issued by RIICO. By short term loan RIICO arranged Rs. 1027.65 crores only in the year 2008-09. Through the other loans highest amount was arranged by RIICO in the year 2007-08 that was Rs.11.07 crores. Source from SIDBI was the same from 2007 to 2012, it was Rs. 2.67 crores, same was the case in the Government of Rajasthan secured loan. The highest loan from Government of Rajasthan (interest free) received in year 2007-08 was Rs 64.75 crores. The next four years showed are decline.
Source of

- 1 DEBENTURE: 56%
- 2 SHORT TERM LOAN: 23%
- 3 OTHER LOANS: 4%
- 4 SECURED LOAN: 15%
- 5 INT. FREE Loan: 2%

PORTFOLIO ANALYSIS OF RIICO

Similar to IDBI at the central level, RIICO has been concerned as an open institution at the State level for fostering the industrial growth of the state. The activities of RIICO have been envisaged to cover all the important spheres considered necessary for industrial growth i.e. from developing infrastructure to financing of projects and facilitating their smooth operations. It has been given responsibility for developing industrial areas and building infrastructure facilities like road development, water supply, power supply, street lighting and other common facilities therein; identifying viable industrial projects and promoting them in joint and assisted sector; and arranging for the required finances for the projects in the medium and large scale sector.

The activities of RIICO can be divided into following categories:

a) Infrastructure activities
b) Promotional activities
c) Investment activities

a) INFRASTRUCTURE ACTIVITIES

RIICO identifies the industrial areas which have potential for industrial development and develops those areas by providing basic infrastructure facilities like building, roads, water supply, power supply, street lighting and other common facilities. The policy for the development of industrial areas has been made keeping in view the industrial policy of the State. The Government in its very first year of incorporation i.e. in 1969-70 entrusted the work of development of industrial areas to the corporation. Government allotted land to the corporation in 12 towns/cities for the purpose, out of which the corporation took up 5 areas for development in 1970-71. So far acquiring 68234.31 acres of land in the State has developed 323 industrial areas.

RIICO has also identified eight growth centres for providing integrated infrastructure. In these growth centres corporation has prepared comprehensive project reports having social as well as industrial infrastructure. Prior to establishment of RIICO, the work the work of setting up of industrial areas was done by the Industries Department of the State Government, which has also been transferred for further
development and maintenance to RIICO. RIICO has been able to locate industrial areas throughout the length and breadth of the State and has covered all the 32 districts. The total number of industries set up in RIICO industrial areas on 31st March 2012 stood at 31113.

The Corporation being in the field of providing institutional infrastructure which interalia includes providing monetary resources and infrastructure support. The availability of finances is necessary for an industrial for an industrial unit as blood to human being. RIICO has been providing financial assistance by way of its various schemes to entrepreneurs putting up industries in the state.

b) **PROMOTIONAL ACTIVITIES**

For giving a boost to industrialization the identification of viable projects preferably the projects based on locally available raw materials and skills of envisaging manufacture of products having local market, selection of appropriate technology, preparation of project profile, obtaining necessary permission from the government for setting up of project etc. is a vital input, RIICO has included all these activities in its promotional role with a view to reducing the gestation period for implementation of project by any interested entrepreneur and to facilitate the selection of project by providing him with a number of alternative projects.

**Project Identification:** Project Identification and preparation of project profile is a continuous exercise for RIICO. The profiles and list of identified projects are available to the entrepreneurs for their references through data bank maintained by RIICO. Besides, RIICO also prepares project briefs on identified projects using in house capabilities. It provides printed matter for promotional purpose various literature enumerating concessions and facilities, details of industrial areas, newsletter etc. In addition to technological research and promoter’s identification, RIICO has been initiating dialogues with Trade Fair Authority of India as well as abroad. This helps RIICO to keep abreast with latest development in the field as well as identifying prospective entrepreneurs who plan to set-up industry. This identification helps in attracting the investment to State. This literature is also useful for the industrial campaigns organized by RIICO at metropolitan centres outside the State for contacting the prospective entrepreneurs and persuading them to set up projects in Rajasthan. The
campaigns were organized at Delhi, Bombay, Madras, Calcutta, Hyderabad, Bangalore, Coimbatore, Shillong and Guwahati. The campaign has proved to be an effective tool for contacting the entrepreneurs and educating them about the facilities available in the State. Thus, the projects are being promoted mainly in assisted sector with RIICO token equity participation. It is also noteworthy to mention here that RIICO has also promoted few projects in joint sector. RIICO with the help of central and state government has established the Electronics Test and Electronics Test and Development Center in Malviya Industrial Area, Jaipur in the year 1976-77. The Centre is equipped with tool room, workshop machinery, electronic test equipment’s environmental chambers, electroplating plant and impregnation plant for providing service to electronic units in the State. The management of this centre has been transferred to government of India.

c) **INVESTMENT ACTIVITIES**

Finance is vital input for smooth implementation and running of an industry. RIICO works in different ways of providing financial assistance under:

- **Share Capital:** Direct subscription, By way of seed capital, By way of preference capital

- **Term Loan:** Term loan from IDBI under refinance scheme for medium scale industries. Term loans from IDBI under refinance scheme for small-scale industries. Interest free loans from Government of Rajasthan under agency function.

(vi) **RIICO – AS A FINANCIAL INSTITUTION**

RIICO provides a unique financial package to investors for small, large and medium industrial projects and these under a single roof. The range of financial services provided by RIICO is as under:

a) **TERM LOAN**

Required term loan provided to projects costing up to Rs. 120 million under IDBI refinance scheme and higher limits for projects costing more than Rs. 120 million. RIICO does self and joint financing with other financial institutions and commercial banks. The present rate of interest varies from 15% to 16%. There is a rebate of 2% p.a. on timely payment. The present rate of interest is one of the lowest in the country.
b) **ASSET CREDIT SCHEME**

Credit limit up to Rs. 50 Lac to companies classified as standard asset, having repaid at least 30% of the loan and is in operation for last 3 years with adequate cash profit in 2 years out of 3 years. The debt equity ratio should not exceed 1.25:1. This credit limit can be utilized over a period of 6 months (extendable up to 1 year) for purchase of capital equipments.

c) **FLEXI LOAN SCHEME**

Loan up to Rs. 1.00 Crores for concerns in tourism and health care sector is provided for upgrading, face-lifting, modernizing, renovating etc. of their existing facilities. The companies in operation in 5 years, having earned net profit in preceding 2 financial years, regular in repayments and having debt equity ratio 1:1 are eligible.

d) **CORPORATE LOANS**

For financially sound companies, up to Rs. 20 million for expansion/diversification long term is provided for working capital needs to companies having net worth more than Rs. 100 million.

e) **EQUITY SUPPORT**

Direct participation in share capital on a selected basis for promoting large industries, involving investment of more than Rupees 100 million. For availing above-mentioned financial assistance, entrepreneurs should submit application in the prescribed loan application form along with project report proposal. An entrepreneur is to present the loan application along with required documents that are given in the guidelines to the application form in two copies and the loan application should be submitted along with processing fee 0.1% of the loan amount applied.
(vii) **RIICO – AS AN INFRASTRUCTURE DEVELOPER**

RIICO has 24 regional offices all over Rajasthan, which administers the development of land related infrastructure for industrialization. RIICO has so far developed 279 industrial Areas by acquiring about 46,305 acres of land. It is continuously acquiring and developing more land. Each Industrial area is provided with power, streetlights, and water supply and road linkages and also with basic social infrastructure. Nearly Rs. 7950 million have been spent on pooling infrastructure services in these Industrial Areas by RIICO.

a) **SPECIAL PURPOSE PARKS**

RIICO has also embarked upon creation of Special purpose Industrial parks with excellent infrastructure facilities for a particular type of industry. The location for these industries – specific areas are carefully selected after assessing the availability of related resources such as raw material, labour supply etc. More than 16,600 industries are in production within the industrial areas developed by RIICO in Rajasthan. These include industry like Ericsson, Samcor Glass, Indian Shaving Products, Bausch and Lomb, Climate System, Modi Alkaliles and Chemicals, Dabur (India), Haryana Sheet Glass, MICO, Pepsi, Coca Cola among others.

b) **INCENTIVE FOR ISO-9000 CERTIFICATION**

The small scale and ancillary units can get an incentive on ISO-9000 certification as per the scheme introduced by the Government of India. This scheme provides for reimbursement of charges for acquiring ISO-9000 (or its equivalent) certification to the extent of 75% of the cost subject to a maximum of Rs. 75,000/- in such case. The scheme was in operation up to 31st March, 2004.

c) **SINGLE WINDOW CLEARANCES**

The State Government having amended the “Rules of Business” has established three empowered committees to provide all desired clearances in one go. Single application form has been designed for availing the clearances. The empowered committees are as follows: -
- Board of Infrastructure Development and Investment has been constituted under the chairmanship of Chief Minister of the State to provide all clearance and permissions to the projects proposing investment of more than Rs. 2.5 Crore.

- State Level Empowered Committee has been formed under the chairmanship of Chief Secretary, Government of Rajasthan to provide clearances and approvals in cases where proposed investment is below Rs. 25 Crores but more than Rs. 3 Crores.

- Under the chairmanship of Collector, District Empowered Committee has been constituted to deal with the cases where investment is below Rs. 3 Crores. While the nodal agency for the first two committees is Bureau of investment Promotion (BIP), for the third it is the District Industries Centre (DIC).

d) **LAND CONVERSION SIMPLIFIED**

Entrepreneurs have been facing difficulties in securing conversion of land from agricultural to industrial. To resolve this problem, provision has been made for automatic conversion of land in rural areas up to 5 hectares. If nothing has been heard within 30 days of filing the application form, complete in all respects from authority competent for land conversion, the land is deemed to be converted and concerned GM, D.I.C., issues a certificate to this effect. Accordingly Tehsildar / Gram Panchayats make necessary entries in the land record within 7 days.

(viii) **PROGRESS AND ACHIEVEMENTS OF RIICO**

It has emerged as multi faceted and dynamic vibrant institution. It has kept pace with the industrialization process is providing complete and innovative means of financing and investment support services. It is a government agency in the State involved in development of land for industrial enterprises. Large, medium and small scale projects get an easy access to a ready to use base with supportive infrastructure facilities provided by RIICO has contributed to promote accelerated growth of Industrial sector in state. It’s authorized capital is of Rs. 2350 million and paid up capital is Rs. 2102 million. It has earned net profit of Rs. 47344.06 million during 2011-12. The engaged manpower of 1054 persons. Office network of 26 offices in Rajasthan and one in Delhi.

Up to 30 November 2012: The total loan sanctioned of Rs. 27266 million, total loan disbursed of Rs. 20104 million. The term loan sanctioned of Rs. 23517 million and
disbursed of Rs. 16486 million. Equity sanctioned of Rs. 723 million and equity disbursed of Rs. 709 million. The investment catalyzed of Rs. 71283 million and employment generated in numbers is 103624. The land acquired is 68234.31 acre and land developer of 41753.99 acre. The numbers of industrial areas are 323. There are 8 growth centers and 31113 industries engaged in the production of industrial areas. There are 13 mini growth centers. 52647 plots are allotted.

An expenditure of Rs. 3865.34 Lakh has been incurred on 18 projects for export promotion out of these 12 projects has been completed. A sum of Rs. 12,407.07 Lakh have been spent on 8 growth centers in Rajasthan i.e. Abu Road, Khara and Karni, Dholpur, Parbatsar Chandrawati, Palsana and Hamergarh. On these each center Rs. 30 Crores invested for removing regional imbalance. In order to provide integrated infrastructure facilities for small-scale industries in rural and backward areas mini growth centres with an investment of Rs. 8 crores each have been developed with the help of central government. A sum of Rs. 7,187.77 Lakh was spent up to December 2012 on these centers.

Some special parks have been established by RIICO in Kota, Jodhpur, Sriganganagar and Alwar. Japanese park at Neemrana (Alwar) shall be setup. Besides it several multinational companies, such as Nissan, Misui, Disking, and Mitsubishi and Dykie colour will also be established. Stone packet Dholpur is being developed on 132.08 acres land at Visnoda and Dholpur. An expenditure of Rs. 1056.00 Lakh has been incurred. RIICO has allotted 600 acres land at Khuskera, Bhiwadi and Alwar for providing Job for 4,000 people. Honda city Car started production. Mahindra group is establishing an SEZ with RIICO in Jaipur with an expected investment of Rs. 10,000 crore. One lakh people will be engaged. Mahindra and Mahindra and RIICO are setting up a multi product at Jaipur through an SPV-Mahindra World City Jaipur Limited.

In order to promote textile industry two integrated textile park are being established at Silora (Kishangarh) on private partnership basis for which RIICO has allotted 134-acre land. Rs. 585 crore will be spent to provide employment to 102625 persons directly and 100000 persons indirectly.

During 2007-08 RIICO was successful in attracting prestigious project of Voltas International Ltd. to manufacture integrated granite. Piramal Enterprises Limited. to manufacture blood bags; Grapco Knitpin Limited to manufacture cotton yarn, knitwear and garments, Lloyds Exim Limited for marble mining and processing; Gujarat Telephone Cable Ltd. for manufacturing integrated jelly filled telephone cables, jointing
kits, radio parts and power generator, Prerna Syntax Limited to produce textile goods besides a number of other units.

During 2007-08, it tied-up with 64 big projects so as to catalyze investment of Rs. 3486 crores. During this period 6 industrial projects of multinational companies were attracted with an investment of Rs. 705 crore namely, Philips India Limited for glass shell and GLS Lamps, Electrolux Limited for Frost Free Refrigerators and white goods, Montari Industries Limited for Ink for packaging industry and Kamal Sabre Motors Limited for sports cars; Silicones Industries Limited for Silicones and Mahindra and Mahindra for CR Coils. In 2008-09 RIICO tied up with 28 big projects in which investment of Rs. 1959 crore was catalyzed. During this period investment in four projects amounting to Rs. 953.5 crore was attracted with the cooperation of MNCs. These projects were: Samcor Glass Corporation Limited (for colour T.V. glass shells) (Unit-II), Motor Industries Corporation Limited (MICO) for fuel injection-equipment). CompuCom Technologies Private Limited (for Computer Software) and Royal India Jewellery Manufacturing Corporation Limited (for Golden Jewellery).

In 2008-09 Growth Centre projects are being implemented at Bikaner, Bhilwara, Dholpur and Jhalawar along with three Split Growth Centre projects at karni (Bikaner), Palsana (Sikar) and Parbatsar (Nagaur), with sanctioned project cost of Rs. 151.57 crore. An expenditure of Rs. 115.03 crore has been incurred till 31st March 2009. Integrated Infrastructure Development (IID) centres are being implemented at Sangaria (Jodhpur), Nagaur, Niwai (Tonk), Falna (Pali), Hindau City (Karauli), Baran, Bayana (Bharatpur) and Khushkhera (Alwar). Development works at Sangaria, Nagaur and Kaladwas stand completed whereas development works are in progress at other centres. An expenditure of Rs. 3883.44 lac has been incurred till 31st March 2009 against the project cost of Rs. 4394.63 lac.

a) SEZ for Gems and jewellery (Phase I and II) at Sitapura, Jaipur planned on 110.89 acre of land has been developed with a cost of Rs. 3423.00 lac against which an expenditure of Rs. 2569.68 lac has been incurred up to 31st March 2009. Out of 245 planned plots, 209 have been allotted, of which production activity has been commenced on 92 plots whereas construction is in progress on 68 plots

b) SEZ for Handicraft Units at Boranada, Jodhpur developed on 180.94 acre of land with cost of Rs. 2312.00 lac, against which an expenditure of Rs. 1851.50 lac has been incurred up to 31st March 2009.
In 2008-09, 38% amount of total sanctions was given to Sulzer Looms Projects, 45% of term-loan went to Textiles and Hotel Industry; 75% of term-loan was availed by industrial units located in Jaipur and Bhilwara districts. In 2008-09, more than half of the term-loans of RIICO were allotted for expansion / diversification / finances-scheme / equipment- refinance and working capital or as developed / specific loans to companies. This has brought qualitative change in term-loans. More attention has been given to infrastructure-development and 49 projects were sanctioned related with term-loans. In 2009-10 Growth centre projects are being implemented at Abu Road, Bikaner, Bhilwara, Dholpur and Jhalawar along with three split growth Centre projects at Karni (Bikaner), Palsana (Sikar) and Parbatsar (Nagaur), with sanctioned project cost of Rs. 151.57 crore. An expenditure of Rs. 128.39 crore has been

Integrated Infrastructure Development (IID) centres are being implemented at Sangaria (Jodhpur), Kaladwas (Udaipur), Nagra, Niwai (Tonk), Falna (Pali), Hindaun City (Karauli), Baran, Bayana (Bharatpur) and Khushkhera (Alwar). Development works at Sangria, Nagar, Kaladwas, Tonk, Hindaun City, Baran and Bayana stand completed, whereas development work is in progress at Falna (Pali) An expenditure of Rs. 4349.42 lac has been incurred till 31st March 2010 against the project cost of Rs. 4394.63 lac. A sum of Rs. 1181.84 lac has been released by the Central Government against the sanctioned grant of Rs. 1665.43 lac.

a) SEZ for Gems and Jewellery (Phase I and II), Sitapura, Jaipur planned on 110.89 acre land has been developed with a cost Rs. 3423.00 lac against which and expenditure of Rs. 3057.00 lac has been incurred up to 31st March 2010.

b) SEZ for Handicraft Units at Boranada, Jodhpur was developed on 180.94 acre of land with a cost of Rs. 2312.00 lac against which an expenditure of Rs. 1870.00 lac has been incurred up to 31st March 2010.

In 2009-10, investment of Rs. 1837 crore was made in the following types of enterprises: Hindustan Coca Cola Limited for bottling Coca Cola at Jaipur and Udaipur. Varun Breweries Limited for bottling Pepsi at Jodhpur and Alwar, Deluxe-Hotel by Taj-Hotels in Jodhpur; Gini International Limited for yarn processing; Indian Shaving Products for the expansion of shaving blades and razors; Paramount Communication Ltd. for insulated wires and cables, CompuCom Soft wares Limited for software; Samcor Glass Limited for glass parts of colour picture tubes, 20 Microns Limited for wait ground Calcium Carbonet; S. Kumar’s Synalabs Limited for cotton yarn sheeting; RSB Project Limited for Jojoba plantations and processing and Roofit Industries Limited for asbestos
sheets etc. Besides these, in 2009-10 Infrastructure, It Industrial parks, Agro and Food Parks CDOS etc. were also included in the list of projects for industrial growth in the state.

In 2010-11 Growth centre project with sanctioned project cost of Rs. 151.57 crore are being implemented at Abu Road, Bikaner, Bhilwara, Dholpur and Jhalawar along with three split growth centre projects at karni (Bikaner), Palsana (Sikar) and Parbatsar (Nagaur). An expenditure of Rs. 134.32 crore has been incurred till 31st March 2011. Development works of all the nine Integrated Infrastructure Development (IID) projects at Sangaria (Jodhpur), Kaladwas (Udaipur), Nagaur, Niwai (Tonk), Falna (Pali), Hindaun City (Karauli), Baran, Bayana (Bharatpur) and Khushkhera (Alwar) stand completed. An expenditure of Rs. 4450.52 lac has been incurred till 31st March 2011 against the project cost of Rs. 4394.63 lac. Grant of Rs. 1210.50 lac has been released by the Central Government. Four New IID Centers are being implemented at Kishanghat (Jaisalmer), Shilp gram pal (Jodhpur), Bichhwal (Bikaner) and Palsana (Sikar) and the development works are in progress. An expenditure of Rs. 101.32 lacs has been incurred till 31st March 2011 against the project cost of Rs. 2132.00 lacs. A sum of Rs. 251.73 lacs has been released by the Central government against the sanctioned grant of Rs. 1278.80 lacs.

RIICO SEZs: The Company has itself established sector specific SEZs for Gems and Jewellery (Phase-I and II) at Sitapura, Jaipur and for Handicrafts at Boranada, Jodhpur. 320 plots have been allotted in these SEZSs and so far an investment of about Rs. 190 crore has been made, is providing employment to over 7500 persons and has achieved export turnover of about Rs. 770 crore in the year 2010-11

In 2010-11, RIICO sanctioned 74 projects for term-loans, which catalyzing investment of Rs. 170.9 crore. RIICO gave 37% amount to textile units in total sanctions. Private Engineering / Medical Colleges, Business establishments, picture halls etc. were also given financial assistance. In the year 2011-12 Development works of all the nine Integrated Infrastructure Development (IID) projects at Sangaria (Jodhpur), Kaladwas (Udaipur), Nagaur, Niwai (Tonk), Falna (Pali), Hindaun City (Karauli), Baran, Bayana (Bharatpur) and Khushkhera (Alwar) stand completed. An expenditure of Rs. 4588.80 lac has been incurred till 31st March 2012 against the project cost of Rs. 4394.63 lac. Grant of Rs. 1210.50 lac has been released by the Central Government. The assistance is provided this scheme to state government for creating appropriate infrastructure for development and growth of exports 29 projects havening project cost of Rs. 32937.68 lac and grant of 23444.73 lakhs have been sanctioned and grant of Rs 13896.06 lac has been
released till 31.03. 2012 expenditure of Rs 15826.62 lac has been incurred. So far, 18 projects have been completed whereas 11 projects are under progress.

The company has itself established sector specific SEZs for Gems and Jewellery at sitapura Jaipur and for Handicrafts at Jodhpur. 41 agreements were signed for investment in SEZ and 3 agreements for Domestic Tariff Area. The RIICO is organizing an international level Textile and Apparel fair VASTRA at EPIP Sitapura Jaipur. RIICO is providing assistance of Rs 2000/- per trainee to Apparel Training and Design Centre (ATDC) for training of manpower for textiles industry through these Centre During 2011-12 ATDC opened 6 SMART Centre in Rajasthan RIICO has earmarked 10,000sqm. Of land at Bhiwadi for Skill Development centre.

In the year 2011-12, the industrial growth continued to get affected largely on account of economic slow down. In spite of it, the corporation sanctioned term loans of Rs. 63.63 crores to 58 projects against sanction of Rs. 76.29 crore to 72 projects during the previous year 2010-11. Out of these sanctions Rs. 40.82 crore were provided for the expansion of projects to the existing clients. The new sanctions are expected to catalyze an investment of Rs. 93.94 crore and will provide employment to 1251 persons. RIICO has developed 323 industrial areas spread all over the State, of which around 98 industrial areas are located either on Golden quadrilateral corridor or on East - West corridor or on North - South corridor or on National Highways. More than 30, 312 industrial units are in production within the industrial areas developed by RIICO.

Development of Industrial Areas: Up to November 2011, 323 industrial areas were established across the entire state. From December 2008 to November 2011, 7,796.41 acre land was acquired, 4,446.16 acre land developed and 3,773 industrial plots allotted. During this period, Rs 1064.52 crore were spent on the maintenance and expansion of industrial areas while Rs. 1,929.53 crore were recovered from the industrial areas.
### Table 2.2
Progress Of Industrial Plot Allotment Of RIICO Limited 2007-2012

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>PLANNED</td>
<td>LAND DEVELP</td>
<td>ALLOTED</td>
<td>PLANNED</td>
<td>LAND DEVELP</td>
</tr>
<tr>
<td>1</td>
<td>JAIPUR (NORTH)</td>
<td>3278</td>
<td>2705</td>
<td>1802.13</td>
<td>3421</td>
<td>2637</td>
</tr>
<tr>
<td>2</td>
<td>JAIPUR (SOUTH)</td>
<td>2275</td>
<td>1901</td>
<td>1556</td>
<td>2294</td>
<td>1898</td>
</tr>
</tbody>
</table>

**SOURCE:** - Industrial Land Of RIICO In Rajasthan- 2012
Table number 2.2 indicates that in 2007-08 3278 acre land was planned out of this 2705 acre land was developed and 1802.13 acre land was allotted in Jaipur north and 2275 acre land was planned out of this 1901 acre land was developed and 1556 acre land was allotted in Jaipur south and 1982 acre land was planned out of this 1752 acre land was developed and 566.70 acre land was allotted in Jaipur (Rural). In 2008-09, 3421 acre land was planned out of this 2637 acre land was developed and 3091 acre land was allotted in Jaipur north and 2294 acre land was planned out of this 1898 acre land was developed and 1588 acre land was allotted in Jaipur South and 2032 acre land was planned out of this 2008 acre land was developed and 1942 acre land was allotted in Jaipur rural.

In 2009-10 3406 acre land was planned out of this 2637 acre land was developed and 3132 acre land was allotted in Jaipur north and 2296 acre land was planned out of this 1002 acre land was developed and 1595 acre land was allotted in Jaipur South and 2034 acre land was planned out of this 2018 acre land was developed and 1944 acre land was allotted in Jaipur rural. In 2010-11, 3404 acre land was planned out of this 2635 acre land was developed and 3294 acre land was allotted in Jaipur north and 2303 acre land was planned out of this 1909 acre land was developed and 1598 acre land was allotted in Jaipur South and 2036 acre land was planned out of this 2021 acre land was developed and 1955 land was allotted in Jaipur rural.

In 2011-12, 3622 acre land was planned out of this 3435 acre land was developed and 3497 acre land was allotted in Jaipur north and 2241 acre land was planned out of this 1586 acre loan was developed and 1623 acre land was allotted in Jaipur South and 2059 acre land was planned out of this 2037 acre land was developed and 2001 acre land was allotted in Jaipur rural.
Table No. 2.3
Progress of Industrial Area of RIICO Ltd. 2007-2012

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>LAND ACQUIRED</td>
<td>LAND DEVELOP</td>
<td>SALABLE</td>
<td>LAND ACQUIRED</td>
<td>LAND DEVELOP</td>
</tr>
<tr>
<td>1</td>
<td>JAIPUR (NORTH)</td>
<td>2776.65</td>
<td>2498.48</td>
<td>1941.08</td>
<td>3112.27</td>
<td>2498.48</td>
</tr>
<tr>
<td>2</td>
<td>JAIPUR (SOUTH)</td>
<td>1669.61</td>
<td>1279.04</td>
<td>1039.98</td>
<td>1789.60</td>
<td>1476.44</td>
</tr>
<tr>
<td>3</td>
<td>JAIPUR (RURAL)</td>
<td>1789.60</td>
<td>908.28</td>
<td>1130.27</td>
<td>1669.65</td>
<td>1279.04</td>
</tr>
</tbody>
</table>

SOURCE:- Industrial Land Of RIICO In Rajasthan- 2012
Table number 2.3 indicates that in 2007-08, 2778.65 area land was acquired out of this 2498.48 acre land was developed and 1941.08 acre land was saleable in Jaipur north and 1669.61 acre land was acquired out of this 1279.04 was developed and 1039.98 acre land was saleable in Jaipur south and 1789.60 acre land was acquired out of this 908.28 acre land was developed and 1130.27 acre land was saleable in Jaipur rural. 2008-09, 3112.27 acre land was acquired out of this 2498.48 acre land was developed and 2145.44 acre land was saleable in Jaipur north and 1789.60 acre land was acquired out of this 1476.44 was developed and 1185.03 acre was saleable in Jaipur south and 1669.65 acre land was acquired out of this 1279.04 was developed and 1039.84 acre land was saleable in Jaipur Rural. In 2009-10, 3112.27 acre land was acquired out of this 2498.48 acre land was developed and 2145.44 acre land was saleable in Jaipur north and 1789.60 acre land was acquired out of this 1476.44 was developed and 1185.03 acre was saleable in Jaipur south and 1669.65 acre land was acquired out of this 1279.04 was developed and 1039.84 acre land was salable in Jaipur Rural. In 2010-11, 3112.27 acre land was acquired out of this 2498.48 acre land was developed and 2154.08 acre land was salable in Jaipur north and 1710.70 acre land was acquired out of this 1083.59 acre land was developed and 969.87 acre land was saleable in Jaipur South and 1791.98 acre land was acquired out of this 1476.44 acre land was developed and 1210.04 acre land was salable in Jaipur Rural. In 2011-12, 3112.27 acre land was acquired out of this 2498.48 acre land was developed and 2192.15 acre land was salable in Jaipur north and 3112.27 acre land was acquired out of this 2498.48 acre land was developed and 2192.15 acre land was salable in Jaipur South and 2041.06 acre land was acquired out of this 1476.44 land was developed and 1203.71 acre land was salable in Jaipur Rural.

(ix) **FINANCIAL ASSISTANCE TO INDUSTRIAL PROJECTS**

a. Sanction and disbursement of term loan is a key developmental activity of the Corporation. During the present government's regime (from December 2007 to November 2012), loans of Rs. 797.75 crore were sanctioned and Rs. 557.55 crore were disbursed. A recovery of Rs. 607.83 crore has been made during this period.

b. In order to give thrust to develop commerce and industry the State Government is its budget announcement for the year 2010-11 declared for development of an Exhibition Cum Convention Centre on approx. 42 acres land situated at Sitapura Industrial Area of RIICO at Jaipur on PPP basis.
c. RIICO appointed PDCOR Limited, Jaipur as Transaction Advisor for detailed feasibility study and preparation of bid documents.

d. RIICO has approved participation in first phase of Metro Rail project in Jaipur through an equity subscription. The Corporation has already released Rs. 42.33 crore.

e. RIICO has approved a participation of Rs. 10.00 crore in the share capital of Rajasthan State Petroleum Corporation Limited.

f. There are three SEZs in the State. Two SEZs are situated in Sitapura (Jaipur) for Gems and Jewellery industry while one SEZ is in Jodhpur for the development of handicraft industry. In 2010-2011, SEZ's achieved exports of Rs. 778 crore.

g. The Mansarovar Industrial Development Corporation has got its handicraft SEZ de-notified while Parsvanath SEZ Developers has also received the policy-based approval for its gems and jewellery SEZ from the Government of India. Additionally, eight SEZs have been notified in the state, out of which, IT, Light Engineering and Automotive SEZs are operating in Jaipur. In 2010-11 employment for 1600 people was generated and export of Rs. 1555 crores was achieved. During 2011-12, exports of Rs. 59.00 crores have been achieved till date.

h. So far, over Rs. 75 crore have been invested in Mahindra World City (Jaipur) Limited. Exports worth Rs. 59 crore have been achieved in fiscal year 2011-12 while 1,700 people have got employment. Handicraft SEZ in the Mahindra World City unit has been started.

i. RIICO is setting up a new industrial zone for the food processing industry, especially for forest product. In this zone, a special package will be implemented to provide employment to 'Sahariya' youth. The scheme will give greater facilities to youth than given under the Rajasthan Investment Promotion Policy (RIPS).

j. To promote the ceramic industry in the state, RIICO, in association with the CII and the Indian Ceramic Society, organized an international exhibition of ceramic, glass and allied products in Jaipur from 11-14 November 2011. Over 180 companies, including 16 foreign firms, participated in the event.

k. Promote investment in ceramic and glass-based industries in Rajasthan, the state government has declared a special incentive package. Under this package new investors will get up to 75 percent concessions on all kind of taxes, including VAT, from the day of starting commercial production till 31 March, 2018. The industries
that adopt modern technology and expand its businesses will get concessions on additional tax paid. Moreover, new industries will get concessions on electricity charges, land tax and stamp duty while buying land. This package will last for seven years.


Table 2.4
Showing Investments in Various Projects Rs. in Crore

<table>
<thead>
<tr>
<th>Project Name</th>
<th>2007-08</th>
<th>2008-09</th>
<th>2009-10</th>
<th>2010-11</th>
<th>2011-12</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Project cost</td>
<td>Exp.</td>
<td>Project cost</td>
<td>Exp.</td>
<td>Project cost</td>
</tr>
<tr>
<td>Growth Center</td>
<td>151.57</td>
<td>102.08</td>
<td>151.57</td>
<td>115.03</td>
<td>151.57</td>
</tr>
<tr>
<td>IID Centre</td>
<td>4394.63</td>
<td>3401.55</td>
<td>4394.63</td>
<td>3883</td>
<td>4394.63</td>
</tr>
<tr>
<td>Gems of Jewellery I</td>
<td>833.00</td>
<td>718.87</td>
<td>3423.00</td>
<td>2569.68</td>
<td>3423.00</td>
</tr>
<tr>
<td>Handicraft</td>
<td>2312.00</td>
<td>1819.68</td>
<td>2312.00</td>
<td>1851.50</td>
<td>2312.00</td>
</tr>
<tr>
<td>Gems of Jewellery II</td>
<td>2590.00</td>
<td>1848.68</td>
<td>NIL</td>
<td>NIL</td>
<td>3423</td>
</tr>
<tr>
<td>Stone park</td>
<td>23.80</td>
<td>463.09</td>
<td>NIL</td>
<td>NIL</td>
<td>NIL</td>
</tr>
<tr>
<td>Export promotional park (EPIP)</td>
<td>2139.00</td>
<td>1796.65</td>
<td>NIL</td>
<td>NIL</td>
<td>2139.00</td>
</tr>
<tr>
<td>Construction (Roads.)</td>
<td>4190.00</td>
<td>2600.00</td>
<td>NIL</td>
<td>NIL</td>
<td>4190.00</td>
</tr>
</tbody>
</table>

Source:- The catalyst of RIICO


Table number 2.4 shows that in the growth centre, project cost was Rs.151.57 crores for the year 2007-08 after that the expenditure is continuously increasing and by 2011-12 the expenditure went up by Rs. 11 crores, it was Rs 162.57 crores. Same was the case in the IID centre amount kept escalating which finally reached Rs 4588.80 crores that is Rs.194.17 crores excess. In Gems and Jewellery was Rs.833.00 crores the amount increased in the year 2010-11 by Rs 3423.00 crores which was Rs.2590 crores excess but in 2011-12 no money
was invested here. Same was the case in handicraft, as the project did not taken off in 2010-11 and 2011-12. In the stone park project Rs.230.80 crores was the suggested amount, and then Rs.463.09 crores was invested. In the project, but no progress was made in the next four years. In Export Promotional Industrial Park (EPIP) the amount sanctioned was Rs.2139.00 crores out of this 1796.65 crores was used in 2007-08. No expenditure was made in next year and the entire amount was used in 2009-10 and the expenditure was nil in 2010-11 and 2011-12. In construction of road Rs.4190.00 crores was allotted and Rs. 2600.00 crores used in 2007-08. In 2008-09 it was nil where in the year 2009-10 Rs. 3210.00 crores was spent while in 2010-11 and 2011-12 nothing was spent.

During 2007-08 RIICO has started Growth Centre project with sanctioned project cost of Rs. 151.57 crore are being implemented Bikaner, Bhilwara, Dholpur and Jhalawar along with three split Growth Centre projects at karni (Bikaner), Palsana (Sikar) and Parbatsar (Nagaur). Development works at Growth Centre Abu Road stand completed. Central and State Government have released equity amounting to Rs. 62.80 crore. An expenditure of Rs. 102.08 crore has been incurred till 31st March 2008 for development of these projects. Nine Integrated Infrastructure Development (IID) projects are being implemented at Sagaria (Jodhpur), Nagaur, Kaladwas (Udaipur), Niwai (Tonk), Falna (Pali), Hindaun Cit (Karauli), Baran, Bayana (Bharatpur) and Khushkhera (Alwar) at a cost of Rs. 4394.63 lacs.

SEZ for Gems and Jewellery Units project planned on 21.50 acre of land is being developed with a cost of Rs. 833.00 lac. A grant of Rs. 250.00 lac has been availed fully and an expenditure of Rs. 718.87 lac has been incurred up to 31st March 2008. SEZ for Handicraft Units project was planned on 180.94 acre of land with development cost of Rs. 2312.00 lac. A grant of Rs. 500.00 lac has been availed fully and an expenditure of Rs. 1819.68 lac has been incurred up to 31st March 2008. SEZ (Phase-II) for Gems and Jewellery units at Sitapura project has been planned on 89.39 acre of land with a development cost of Rs. 2590.00 lac to be fully borne by RIICO. An expenditure of Rs. 1848.68 lac has been incurred till 31st March 2008.

Export Promotion Industrial Park at Boranada, Jodhpur is being developed at a project cost of Rs. 2139.00 lac on 207 acre of land Grant of Rs. 1000.00 lac under ASIDE scheme and State Grant of Rs. 333.00 lac has been released. Up to 31st March 2008, an expenditure
of Rs. 1796.65 lac has been incurred. Construction of link roads connecting Khushkhera to NH-8 at Kasola Chowk, Bhiwadi. The project was sanctioned in October 2007 having project cost of Rs. 4190.00 lac with Rs. 2600.00 lac assistance under ASIDE.

RIICO is the nodal agency of the State Government for all SEZ projects coming up in the State. The present status of the SEZ approvals accorded by the Government of India for the State of Rajasthan is - 10 in principle approval, 3 Formal approval and 5 notified SEZs.

To provide impetus to the growth of stone industry in the Dholpur area, a stone park, at village Vishnoda on Bari - Dholpur road (declared National Highway No. 11-B), is being developed by the Corporation with an estimated investment of Rs. 23.80 crore. The park will have well developed basic infrastructure facilities with area for artisans and their residence, show rooms/kiosks in common product display area, gang-saws, splitting and polishing units etc. The common facility center will have modalities such as training center for skill up-gradation design center, basic common material handling and processing machinery, dumping yard, common display center/ showrooms. The infrastructure development at the park is in progress. An expenditure of Rs. 463.09 lac has been incurred up to 31st March 2008.

RIICO organizes industrial campaigns at different places in India in collaboration with other organizations to attract non-resident Rajasthan and others for setting up industries in the state. The potential entrepreneurs are provided with latest information about projects that can be taken up by them. Various issues are discussed with them in open house. Some industrial campaigns have shown some positive results at Mumbai, Kolkata, Delhi etc. in the past. Efforts are being made to attract Non-Resident Indians (NRIs) as well so that industrial investments may rise in future. In recent years response of new entrepreneurs has been encouraging and with further liberalization in industrial policy of June 1998, better results are expected in the next few years.

(x) WORKING RESULTS OF RIICO

RIICO organizes industrial campaigns at different places in India in collaboration with other organizations to attract non-resident Rajasthan and others for setting up industries in the state. The potential entrepreneurs are provided with latest information about projects that can be
taken up by them. Various issues are discussed with them in open house. Some industrial campaigns have shown some positive results at Mumbai, Kolkata, Delhi etc. in the past. Efforts are being made to attract Non-Resident Indians (NRIs) as well so that industrial investments may rise in future. In recent years response of new entrepreneurs has been encouraging and with further liberalization in industrial policy of June 1998, better results are expected in the next few years. In the year (2007-08) has been the highest ever profits of Rs. 186.74 crore (increase of 93.23% as compared to previous year), disbursement of equity assistance of Rs. 29.09 crore (increase of 219.67%), disbursement of term loan of Rs. 112.11 crore (increase of 7.50%), dis-investment of equity of Rs. 5.38 crore (increase of 73.66%), recovery of term loan Rs. 94.73 crore (increase of 16.38%), recovery of Rs. 686.33 crore from the infrastructure.

For the year (2008-2009) has been increase in the income of the company to Rs. 1296.96 crore (increase of 71.88% as compared to previous year), the highest ever expenditure of Rs. 823.47 crore on acquisition, development and maintenance of industrial areas (increase of 106.47%), issuance of administrative sanctions of Rs. 1826.07 crore for development of new industrial areas (increase of 342.425) recovery of term loan Rs. 116.18 crore (increase of 22.64%), and payment of dividend for sixth consecutive year activity (increase of 77.51%) expenditure of Rs. 398.83 crore on development/ maintenance of industrial areas (increase of 20.08%), and payment of dividend for fifth consecutive year.

1247.16 acre of land was developed, 768 Industrial plots were planned, 659 plots were developed and 599 plots were allotted in various Industrial Areas. During 2007-08, 2042 new Industrial Units commenced production and the total number of Industrial units set up in RIICO's Industrial Areas stood at 22962, as on 31st March 2008. For the year 2009-10 under report are - earning of profit after tax of Rs. 131.99 crore (increase of 24.64%), recovery of land related dues of Rs. 562.90 crore (increase of 22.27%), recovery of term loan dues of Rs. 145.16 crore (increase of 24.95%), revision in the existing administrative sanction in the existing administrative sanction for development of industrial area of Rs. 893.49 crore (increase of 361.51%) and payment of dividend for seventh consecutive year.

For the year (2010-11) under report are - earning of profit after tax of Rs. 203.56 crore (increase of 54.22%), sanction of term loan of Rs. 2012.44 crore (increase of 116.29%),
disbursement of term loan of Rs. 132.15 crore (increase of 127.61%), recovery of land related dues of Rs. 704.32 crore (increase of 25.12%) for the year (2011-12) under report are - earning of income of Rs. 1029.88 crore (increase of 41.72% compared to previous year), profit after tax of Rs. 343.76 crore (increase of 67.82%), ever highest 30% dividend outgo of Rs. 63.06 crore sanction of term loan of Rs. 253.63 crore (increase of 19.39%), disbursement of term loan of Rs. 167.65 crore (increase of 26.86%), disbursement of equity of Rs. 60.23 crore (increase of 179.23%), recovery of land related dues of Rs. 883.81 crore (increase of 25.48%) and expenditure on development/maintenance of industrial areas Rs. 618.76 crore (increase of 101.63%)
<table>
<thead>
<tr>
<th>S No.</th>
<th>Year</th>
<th>Loan</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Sanction</td>
<td>Disbursement</td>
<td>Recovery</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>2007-08</td>
<td>130.26 (16.37%)</td>
<td>112.44 (20.17%)</td>
<td>94.73 (15.58%)</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>2008-09</td>
<td>101.19 (12.71%)</td>
<td>87.25 (15.29%)</td>
<td>116.17 (19.11%)</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>2009-10</td>
<td>98.23 (12.34%)</td>
<td>58.06 (10.41%)</td>
<td>145.16 (23.88%)</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>2010-11</td>
<td>212.44 (26.70%)</td>
<td>132.15 (23.70%)</td>
<td>122.67 (20.18%)</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>2011-12</td>
<td>253.63 (31.87%)</td>
<td>167.65 (30.07%)</td>
<td>129.10 (21.24%)</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>797.75 (100%)</td>
<td>557.55 (100%)</td>
<td>607.83 (100%)</td>
<td></td>
</tr>
</tbody>
</table>

Source: Annual report 2007-08 to 2011-2012

Note: Recovery based on previous year

Table number 2.5 shows that in 2007-08 Rs 130.26 crore was sanctioned and after that in next two consecutive years it decreased then in the year 2010-11 shows an increase of expenditure Rs.212.44 crores. The amount was also appreciable in 2011-12 by Rs 253.63 crores. In the same way the highest disbursement was made in 2011-12 which was Rs 167.65 crores and the lowest was made in 2009-10 that was Rs 58.06 crores after that we can say that disbursement percentage is not very less in comparison to sanctioned amount. Amount recovered in 2007-08 was Rs.94.73 crores, which was the lowest recovery, and the highest was made in the year 2011-12 that was Rs.129.10 crores. This table indicates that recovery position of RIICO is good.
Diagram : 2.2
Loan Sanction, Disbursement
and Recovery of RIICO

Source: Annual report 2007-8 to 2011-2012
Table 2.6
Net Profit of RIICO

<table>
<thead>
<tr>
<th>S. No.</th>
<th>YEAR</th>
<th>NET PROFIT</th>
<th>INDEX NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2007-08</td>
<td>1867.41</td>
<td>100</td>
</tr>
<tr>
<td>2</td>
<td>2008-09</td>
<td>1349.65</td>
<td>72.27</td>
</tr>
<tr>
<td>3</td>
<td>2009-10</td>
<td>1532.77</td>
<td>82.08</td>
</tr>
<tr>
<td>4</td>
<td>2010-11</td>
<td>2903.63</td>
<td>155.49</td>
</tr>
<tr>
<td>5</td>
<td>2011-12</td>
<td>4734.41</td>
<td>253.53</td>
</tr>
</tbody>
</table>

**SOURCE:** - Financial Assistance Report Of RIICO 2007-08 To 2011-2012

Table number 2.6 shows that in the year 2007-08 RIICO's profit was Rs.1867.41 crore and it showed a decreased of 27.73% and 17.92% in the next two consecutive years. After that it showed an increase of 55.49% that was Rs.2903.63 crore in the year 2010-11. RIICO gave a tremendous performance in 2011-12 with an increase of 153.53-1 that was Rs. 4734.41 crore
Diagram 2.3
NET PROFIT

FINANCIAL YEAR

In lacs


Series1
Series2
Table No. 2.7

Annual Dividend Paid By RIICO 2007-2012 (Rs. in Crore)

<table>
<thead>
<tr>
<th>S No.</th>
<th>Particular</th>
<th>Year 2007-08</th>
<th>Year 2008-09</th>
<th>Year 2009-10</th>
<th>Year 2010-11</th>
<th>Year 2011-12</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Dividend Paid</td>
<td>236.46 (30.44%)</td>
<td>179.65 (23.13%)</td>
<td>179.65 (23.13%)</td>
<td>NIL</td>
<td>180.80 (23.28%)</td>
<td>776.56</td>
</tr>
</tbody>
</table>

Source: Annual report of RIICO 2007-08 to 2011-12

Table number 2.7 indicated that RIICO paid Rs. 236.46 (30.44%) crore as dividend in 2007-08, Rs. 179.65 (23.13%) crore in 2008-09, and it was in 2009-10, it showed a continuous decrease. In the year 2010-11 no dividend was paid, and in the year 2011-12 RIICO paid a amount of Rs. 180.08 (23.28%) crore. This table clearly indicates that highest dividend was paid in year 2007-08 of Rs. 236.46 crore and lowest was in year 2008-09 and 2009-10.
Diagram: 2.4

Payment of Dividend

Rs. in Crore

236.46
179.65
179.65
180.08

2007-08 2008-09 2009-10 2010-11 2011-12
(xi) **EVOLUTION AND DEVELOPMENT OF RIICO**

a) **ORGANIZATION OF RIICO**

The administrative control of RIICO has been placed under the Board of Directors. The Board consists of a Chairman and Managing Director. There are executive directors looking after various divisions and they are responsible for effective functioning of all the divisions. The work of the corporation is divided into four divisions viz. Administration, Industrial, Financial and Industrial Promotion and Infrastructure.

b) **ORGANIZATIONAL STRUCTURE OF RIICO**

The general superintendence and direction of the affairs and business of RIICO is entrusted to Board of Directors. The number of Directors is 14 including the chairman as shown below:

- Chairman
- Managing Director
- Executive Director
- Financial Advisor
- Additional Chief Engineer
- Advisor (A and F)
- Advisor (Infra)
- Advisor (Law)
- Chief General Manager (I)
- Chief General Manager (II)
- General Manager
- Deputy General Manager (P and R)
- Secretary (Separate Department)
- Manager
- Deputy Managers

Sectional heads are then supported by Manager, Deputy Managers, Deputy General Managers, Regional Managers, OSD’s etc.
c) **CHAIRMAN AND MANAGING DIRECTOR**

He is the executive head of RIICO and is a nominee of the state government as provided in the articles and memorandum of association. He is generally a senior IAS Officer of the rank of secretary to the State Government. However, depending upon experience of incumbent some times executive head is designated and M.D. with Principal secretary industries department, Govt. of Rajasthan, as ex-officer Chairman. The tenure of CMD/MD should be attested 5 years as recommended by IDBI.

d) **FINANCIAL ADVISOR**

The main functions of the financial advisor are: Project implementation, Reimbursements, Accounts, Budgeting, Equity participant, disinvestment of equity, Auditing, Pension Scheme Formation, Contributory provident funds activities.

He is been coordinated by:
- Deputy General Manager (PID) - 1,
- Manager - 10,
- Deputy Manager - 10,

e) **ADDITIONAL CHIEF MANAGER**

The main functions of Additional Chief Manager are – Development of Industrial areas, Civil Works, Electrification of industrial area, Water supply of industrial area. Basically he is concerned with all civil related works of RIICO.

He is coordinated by:
- Senior Engineer (Power) – 1, Senior Regional Manager – 11, Regional Manager – 21, OSD (Evaluation) – 1 (Administration & Planning).

f) **ADVISOR**

He is responsible for all administrative activities related to RIICO; he is basically considered Head Human Research Development (HRD) and general administration. He is assisted by:
- 1. Manager HRD – 1, 2. Deputy Manager – 1, Resident Representative–1.

g) **ADVISOR (INFRA)**

The basic functions of Advisor (Infra) are: Infrastructure development in state, Allotment of land, Development of industrial area and other lands, All other infrastructure related matters. He is assisted by – Senior Regional Managers – 11, 2. Regional Manager-21,
Deputy Manager (Land) – 1, Deputy Manager (Power) – 1, Deputy Manager (PSE) – 1, OSD (Infra) – 1, Deputy Town Planner – 1.

h) **ADVISOR (Law)**

The basic functions are – 1. Legal matters, 2. Court cases. He is assisted by – 1. Deputy Manager (Law) – 1, 2. Deputy Manager (Documentation) – 1.

i) **CHIEF GENERAL MANAGER**

They are looking after matters such as: 1. Appraisals, Recoveries, Business Promotions, Data Record, Merchant Banking, ID and Technology. Chief General Managers are thus looking after all these matters and thus have different DGM for different functions. The following assists him: 1. Deputy. General Manager- 4, 2. Manager–8, 3. Deputy Manager-9.

j) **DEPUTY GENERAL MANAGER (PUBLIC RELATIONS)**

DGM (PR) is responsible for maintaining proper public relations with all those organizations both public and private to ease the working of RIICO and maintain proper and shooting relations with outsides. Deputy Manager (PR) – 1.

k) **SECRETARY:**

Secretary is an independent post in RIICO which books after the total secretarial work of the organizations and is directly answerable to the Managing Directors.
Chart 2.1

Organizational Structure

Chairman and Managing Director

Executive Director

Administrative Division

Industrial Development Division

Finance Division

Industrial Promotion Infrastructure Division

Industrial Development Advisor

Chief Manager (Project-1)

Chief Manager (Project-2)

Manager (Ind. Promotion)

Financial Advisor

Manager

Assistant Managers

Chief Manager (AEIC)

Senior. Manager (Secretary)

Manager (PR)

Manager (PEC)

Chief Manager (PFI)

Superintendent. Engineer (Civil)

Regional Managers

Dr. Town Planner

Superintendent. Engg. (Power)
(xii) DEPARTMENTS AND THEIR FUNCTIONS

<table>
<thead>
<tr>
<th>S No.</th>
<th>CELL</th>
<th>BUSINESS AND ACTIVITIES</th>
</tr>
</thead>
</table>
| a)    | **Appraisal Cell** | - To carry out techno-economic appraisal of projects for sanction of term loan, (including equipment financing), equity and seed capital, issuance of sanction letter thereof.  
- To examine major charge in building, plant and machinery and other project parameters affecting viability of the project.  
- To carry out functions of merchant banking viz. appraisal, underwriting and direct equity participation on firm allotment basis for projects involving public issue.  
- To maintain necessary information base for various products and projects. |
| b)    | **Corporate Planning Cell** | - Reporting to Board (Monthly and Quarterly Progress Report of the Corporation)  
- Annual Plan and five year plan.  
- Attending of meeting of various Government Department and other Agencies regarding plan proposals progress review, budget finalization etc.  
- Preparation of Monthly Review of Activities.  
- Corporate Plan and periodical review.  
- Compilation of information about industrial financing in the State. |
<p>| c)    | <strong>Business</strong>     | - Identification of potential entrepreneurs / investment |</p>
<table>
<thead>
<tr>
<th>Promotion Cells</th>
<th>opportunities and its follow-up.</th>
</tr>
</thead>
<tbody>
<tr>
<td>d) Project Cells</td>
<td>- Project identification and preparation of project reports/profiles, in-house and through consultants.</td>
</tr>
<tr>
<td></td>
<td>- Maintenance of Data Bank-Shelf of projects and investors.</td>
</tr>
<tr>
<td></td>
<td>- Providing consultancy and escort services to entrepreneurs.</td>
</tr>
<tr>
<td></td>
<td>- Maintenance of necessary information base related to industrial development, investment, infrastructure and technology.</td>
</tr>
<tr>
<td></td>
<td>- Identification of technologies and interaction with overseas companies.</td>
</tr>
<tr>
<td></td>
<td>- Advisory role to State Government in sectorial development of industry and</td>
</tr>
<tr>
<td></td>
<td>- Suggesting modifications in industrial policy,, concessions/incentives to industries etc.</td>
</tr>
<tr>
<td></td>
<td>- Development of specific industrial sectors (like electronics, leather and mineral and mining (Including granite/marble/cement) ceramics and glass, agro based and food processing, beer and distilleries gems and jewellery, engineering, steel and foundry, automobile textile, chemical drugs and pharmaceuticals, wool etc.)</td>
</tr>
<tr>
<td></td>
<td>- Selection of assisted sector partners.</td>
</tr>
<tr>
<td></td>
<td>- Export promotion and ancillary development.</td>
</tr>
<tr>
<td></td>
<td>- ‘In Principle’ equity sanction to projects and execution of memoranda of understanding for implementation of projects.</td>
</tr>
<tr>
<td></td>
<td><strong>Follow-up and Recovery Cell</strong></td>
</tr>
<tr>
<td>---</td>
<td>--------------------------------</td>
</tr>
</tbody>
</table>
| e) | - Monitoring and follow-up of projects under production (Recovery of them loan, interest and other dues) of the Corporation.  
- Rescheduling and re-fixation of principal, funding of interest and granting other accommodation to assisted companies.  
- Maintenance and analysis of progress reports and balance sheets and their feedback.  
- Rehabilitation of sick (BIFR registered and others) companies.  
- Recovery/rehabilitation of units by disposal of assets.  
- Maintenance of data relating to the above functions and submitting periodic review of activities to the board.  
- Recovery of seed capital in the cases under litigation.  
- Appointment of nominee Directors in the Board of assisted companies. |

<table>
<thead>
<tr>
<th></th>
<th><strong>Investment and Accounts Cell</strong></th>
<th></th>
</tr>
</thead>
</table>
| f) | Refinance: Sanction  
- Ailment  
- Extension in validity period  
- Repayment |
- Counter refinance of rescheduling.

**Equity:**
- Disbursement and Disinvestment
- Participation in right issue.
- Review of equity assisted projects.

**Agency Business:**

**IFSTL**
- Sanction
- Disbursement
- Recovery

**Seed Capital**
- Recovery (except legal cases which are to be dealt by F and R Cell).

**Investment Accounts:**
- Maintenance
- Reconciliation with main accounts.
- Effect of rescheduling/rehabilitation packages.

**Preparation of interest memos:**
- Default position of loaners.
- Reconciliation of accounts with loaners.

**Co-ordination with IDBI/SIDBI and such similar bodies and statistical work like – PEL, BPRF, etc.**

<table>
<thead>
<tr>
<th>g)</th>
<th><strong>Project Implementation</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- Review of Project under implementation.</td>
</tr>
<tr>
<td>and Disbursement</td>
<td></td>
</tr>
<tr>
<td>------------------</td>
<td></td>
</tr>
<tr>
<td>- Preparation of repayment schedule.</td>
<td></td>
</tr>
<tr>
<td>- Legal Documentation (Follow-up-Only);</td>
<td></td>
</tr>
<tr>
<td>- Feed back to appraisal Cell regarding.</td>
<td></td>
</tr>
<tr>
<td>- Actual cost of the project.</td>
<td></td>
</tr>
<tr>
<td>- Time taken in the implementation of the Project viz- a-viz, envisage time.</td>
<td></td>
</tr>
<tr>
<td>- Performance of plant suppliers.</td>
<td></td>
</tr>
<tr>
<td>- Recovery of dues of the corporation during implementation.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Corporate Accounts Cell</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Preparation &amp; Maintenance of Accounts.</td>
</tr>
<tr>
<td>- Finalization of Balance Sheet.</td>
</tr>
<tr>
<td>- Audit of Corporate Accounts by Statutory Auditors.</td>
</tr>
<tr>
<td>- Preparation of Annual budget.</td>
</tr>
<tr>
<td>- All work related with bill section.</td>
</tr>
<tr>
<td>- Half-yearly review.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Audit Cell</th>
</tr>
</thead>
<tbody>
<tr>
<td>P.U.C.</td>
</tr>
<tr>
<td>- Co-ordination of all P.U.C. matters.</td>
</tr>
<tr>
<td>Audit by CAG:</td>
</tr>
<tr>
<td>- Audit</td>
</tr>
<tr>
<td>- Compliance</td>
</tr>
<tr>
<td>- Co-ordination with various cells.</td>
</tr>
<tr>
<td>Internal Audit:</td>
</tr>
<tr>
<td>----------------</td>
</tr>
<tr>
<td>- Infra units.</td>
</tr>
<tr>
<td>- WAU</td>
</tr>
<tr>
<td>- Follow-up of the reports.</td>
</tr>
<tr>
<td>- Stores</td>
</tr>
<tr>
<td>- Library</td>
</tr>
<tr>
<td>- Log books at HQ.</td>
</tr>
<tr>
<td>- Fed back to the Management to check recurrences of serious irregularities.</td>
</tr>
<tr>
<td>- Devising measures for bringing out cost effectiveness by reducing wastages.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>j) <strong>Technical Cell (ITI)</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>- Planning, Designing and technical evaluation</td>
</tr>
<tr>
<td>- Of industrial areas and civil works.</td>
</tr>
<tr>
<td>- Security and examination of technical estimates and tenders.</td>
</tr>
<tr>
<td>- Quality control of civil works.</td>
</tr>
<tr>
<td>- Water supply system and follow-up of problems.</td>
</tr>
<tr>
<td>- Liaison with PHED, GWB and other departments.</td>
</tr>
<tr>
<td>- Power requirements and liaison with RSEB.</td>
</tr>
<tr>
<td>- Purchase of bitumen, Pipes, Pumps and Pipe specials etc.</td>
</tr>
<tr>
<td>- Budget and budgetary control over the expenditure on the development works.</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>---</td>
</tr>
</tbody>
</table>
| **k) Planning and Development** | - Registration of Contractors.  
- MIS of unit offices.  
- Planning of social and economic infrastructure  
   (Banks, Police Station, Communication, Post-Office, Transportation, Guest House etc.)  
- Rules/Guidelines/Procedures.  
- Monitoring of annual targets.  
- Cases related with encroachment, cancellation, restoration extension allotment and public premises (Eviction of unauthorized occupants) Act. |   |
| **l) Finance Cell** | - Budget and Budgetary Control of IPI  
- Financial Concurrence and sanctions.  
- Financial evaluation of projects/schemes of development of industrial areas.  
- Finalization of accounts of IPI.  
- Financial Scrutiny of tenders.  
- Funds management, accounting of IPI Division and re-reconciliation with ranks.  
- Progress of recovery of IPI Units.  
- Advising in cases referred by Advisor (Infra) with regard to allotment of land / sheds / shops / houses etc. |   |
| **m) Growth Centre NID and Project** | - Projects planning, Co-ordination, Monitoring and Execution of growth Centre, NID and NCR  
- Projects. |   |
<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>n)</strong></td>
<td><strong>General Administration Cell</strong></td>
</tr>
</tbody>
</table>
|   | - Matters relating to identification of new industrial areas and new growth centre etc.  
- Export promotion and work related to export promotion industrial park. |
| **o)** | **Human Resources Development Cell** |
|   | - Stores, purchase, vehicles, house keeping, telephone (P and T) Photostat, UPS, Intercom, Fax, Record Room, General Co-ordination with other organization and Government Departments, tea club, welfare and Cultural matters, repair of furniture/ tools plants / equipments etc. common facility, Security arrangements, receipts and dispatch and nodal functions for Assembly and Parliament question/References. |
| **p)** | **Secretary Cell** |
|   | - Organizing Board and Committee Meetings; follow-up thereof.  
- Matters related with company Law, Custodial Services regarding bond certificates.  
- Organizing shareholders, meeting. |
<table>
<thead>
<tr>
<th>q)</th>
<th><strong>Legal Cell</strong></th>
</tr>
</thead>
</table>
|    | - Appointment of OICs in legal cases.  
|    | - Examination of Legal cases/decisions and opinion / advice thereof.  
|    | - To assist in legal action for takeover, enforcement of securities and guarantees etc.  
|    | - Maintenance of proper insurance records and timely renewal.  
|    | - Expressing legal opinion on various issues of the Corporation.  
|    | - Drafting and execution of various legal documents for the Corporation from time to time for terms Loan, Subsidy, seed capital, I.F.S.T.L., equity, underwriting etc.  
|    | - Monitoring legal cases pending in different courts.  
|    | - Maintaining up-dated record of legal cases.  
|    | - Engage advocates for legal cases and maintaining their records.  
|    | - Advise O.I.C. and Advocates.  
|    | - Vetting Suits/Writs/Reply to be submitted in court in legal cases.  
|    | - Investigation of title of surety wherever required.  

<table>
<thead>
<tr>
<th>r)</th>
<th><strong>Computer Cell</strong></th>
</tr>
</thead>
</table>
|    | - Identification of job where computerization is required.  
|    | - Finalization of computer system and their installation.  
|    | - Software development for in house requirement.  |
- Computerization of various activities.
- Proper maintenance and storing of different data and processing of these data in various formats for use at various levels.
- Proper Maintenance of computer system installed within the Corporation.
- Maintenance and classification of data to facilitate MIS.
- Office automation within the Corporation.
- Co-ordination it’s various vendors for AMC and purchase of computer consumables and Electronic equipments etc.
- Maintenance and up keeping of Telex, EPABX and its related telephones.
- To bring computer awareness and conduct /arrange Computer training for Corporation officials.

(xiii) VARIOUS SCHEMES FOR FINANCIAL ASSISTANCE

It is a Premier term lending institution in the State. It Provides term loans, working capital term loans, etc. under various schemes for industrial, infrastructure and commercial projects. RIICO's Assistance to 966 Projects so far, has catalyzed investment to the tune of Rs. 68,684 million and generated employment for over 102,625 persons.

<table>
<thead>
<tr>
<th>1.</th>
<th>Name of the Scheme</th>
<th>PROJECT LOAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.</td>
<td>Purpose of Loan</td>
<td>For setting up of new project (s) / expansion /</td>
</tr>
</tbody>
</table>
modernization / diversification. Investment in land, buildings, plant and machinery, misc. fixed assets margin money for working capital, etc.

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td><strong>Eligibility Criteria</strong></td>
<td>Minimum project cost of Rs. 1.00 crore for new industrial, commercial and infrastructural projects (s).</td>
</tr>
<tr>
<td>4</td>
<td><strong>Security Margin</strong></td>
<td>Minimum 25%</td>
</tr>
<tr>
<td>5</td>
<td><strong>Promoter’s Contribution</strong></td>
<td>Minimum 30%</td>
</tr>
<tr>
<td>6</td>
<td><strong>Interest Rate</strong></td>
<td>Prevailing interest rate.</td>
</tr>
<tr>
<td>7</td>
<td><strong>Repayment Period</strong></td>
<td>7-8 years in quarterly installments including moratorium of 1 year, depending on cash flow of the project.</td>
</tr>
<tr>
<td>8</td>
<td><strong>Rebate on Timely Payment</strong></td>
<td>As per prevailing policy.</td>
</tr>
<tr>
<td></td>
<td>Name of the Scheme</td>
<td>EQUIPMENT FINANCE SCHEME (EFS)</td>
</tr>
<tr>
<td>---</td>
<td>-------------------</td>
<td>--------------------------------</td>
</tr>
<tr>
<td>2.</td>
<td>Purpose of Loan</td>
<td>Providing quick finance to well established industrial units for acquisition of capital goods/equipments not related to any specific project both indigenous and imported.</td>
</tr>
</tbody>
</table>
| 3. | Eligibility Criteria | Existing industrial concern(s) having good track record and sound financial position. The unit concerned should;  
. Have been in operation for at least 4 years.  
. Have earned cash profits and/or have declared dividend on equity shares during preceding 2 financial years.  
. Not in default to financial institution(s)/ bank(s) in the payment of its dues. |
<p>| 4. | Loan Limit        | Maximum of Rs. 4.00 crores under EFS. |
| 5. | Security Margin   | Minimum 25% |
| 6. | Promoter’s Contribution | Minimum 22.5% |
| 7. | Debt Equity Ratio | 1.5:1 |
| 8. | Interest Rate     | Prevailing interest rate. |
| 9. | Repayment Period  | 5 years in quarterly installments including moratorium of 6.12 months, depending on repayment capacity. |
|10. | Rebate on Timely Payment | As per prevailing Policy. |
| 1. | Name of the Scheme | WORKING CAPITAL TERM LOAN |</p>
<table>
<thead>
<tr>
<th></th>
<th><strong>Purpose of Loan</strong></th>
<th>To provide medium term loan for meeting working capital needs of a manufacturing company.</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.</td>
<td><strong>Eligibility Criteria</strong></td>
<td>Profitable and financially sound companies having good track and satisfying the following conditions:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>. The company should have been classified as standard asset of the Corporation.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>. The company should have paid at least 30% of the principal amount of term loan disbursed.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>. The company should be in production for the last 3 years having earned cash profits in the last 2 years.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>. The company must have consistently recorded growth.</td>
</tr>
<tr>
<td>4.</td>
<td><strong>Loan Limit</strong></td>
<td>Maximum of Rs. 2.00 crores subject to ceiling of aggregate term loan of R. 10.00 crore. Loan amount should not exceed the amount of term loan repaid the company.</td>
</tr>
<tr>
<td>5.</td>
<td><strong>Security Margin</strong></td>
<td>Minimum 25%</td>
</tr>
<tr>
<td>6.</td>
<td><strong>Promoter’s Contribution</strong></td>
<td>NA</td>
</tr>
<tr>
<td>7.</td>
<td><strong>Debt Equity Ratio</strong></td>
<td>1.5:1</td>
</tr>
<tr>
<td>8.</td>
<td><strong>Interest Rate</strong></td>
<td>Prevailing interest rate.</td>
</tr>
<tr>
<td>9.</td>
<td><strong>Repayment Period</strong></td>
<td>5 years of quarterly installments including moratorium period not exceeding 6 months. However, the corporation will have an option of</td>
</tr>
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<tr>
<td></td>
<td></td>
<td>accelerated repayments in initial years depending upon the repayment capacity of the borrowers.</td>
</tr>
<tr>
<td>10. <strong>Mode of Payment</strong></td>
<td></td>
<td>Undated cheques of at least 8 quarterly installments of Principal amount at the time of documentation.</td>
</tr>
<tr>
<td>11. <strong>Rebate on Timely Payment</strong></td>
<td></td>
<td>As per prevailing policy.</td>
</tr>
</tbody>
</table>

<p>| | | |</p>
<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td></td>
<td><strong>Name of the Scheme</strong></td>
<td><strong>MEDIUM TERM MULTI PURPOSE LOAN</strong></td>
</tr>
<tr>
<td>2. <strong>Purpose of Loan</strong></td>
<td></td>
<td>For meeting various financial needs of an assisted unit of the Corporation.</td>
</tr>
<tr>
<td>3. <strong>Eligibility Criteria</strong></td>
<td></td>
<td>Profitable and financially sound companies having good track record operating in Rajasthan. The industrial unit should satisfy the following criterion.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>The company should have been classified as standard asset of the Corporation.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>The company should have paid at least one third of principal amount of term loan disbursed.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>The company should be in production for the last 3 years, earning cash profits in the last two years.</td>
</tr>
<tr>
<td>4. <strong>Loan Limit</strong></td>
<td></td>
<td>Maximum of Rs. 2.00 crores subject to ceiling of aggregate term loan of Rs. 1.00 crores. The loan shall be limited to 70% of value of fixed assets.</td>
</tr>
<tr>
<td></td>
<td>Security Margin</td>
<td>Minimum 25%</td>
</tr>
<tr>
<td>---</td>
<td>-----------------</td>
<td>-------------</td>
</tr>
<tr>
<td>6.</td>
<td>Promoter’s Contribution</td>
<td>NA</td>
</tr>
<tr>
<td>7.</td>
<td>Debt Equity Ratio</td>
<td>1:1 (after availing loan)</td>
</tr>
<tr>
<td>8.</td>
<td>Interest Rate</td>
<td>Prevailing rate of interest.</td>
</tr>
<tr>
<td>9.</td>
<td>Repayment Period</td>
<td>5 years in quarterly installments including moratorium period not exceeding 6 months. However, the corporation will have an option of accelerated repayment in initial years depending upon the repayment capacity of the borrowers.</td>
</tr>
<tr>
<td>10.</td>
<td>Mode of Payment</td>
<td>Undated cheques of at least 8 quarterly installments of principal amount at the time of documentation.</td>
</tr>
<tr>
<td>11.</td>
<td>Rebate on Timely Payment</td>
<td>As per prevailing Policy.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Name of the Scheme</th>
<th>LOAN SCHEME FOR YOUNG/FIRST GENERATION ENTERPRENEURS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.</td>
<td>Purpose of Loan</td>
<td>For setting up a new project (excluding real estate projects) covering investing in land, buildings, plant and machinery, miscellaneous fixed assets, margin money for working capital etc.</td>
</tr>
<tr>
<td>3.</td>
<td>Loan Limit</td>
<td>Maximum term loan of Rs. 1000.00 lacs.</td>
</tr>
<tr>
<td>4.</td>
<td>Promoters’ Contribution</td>
<td>Minimum 20% of the project cost.</td>
</tr>
</tbody>
</table>
|   | **Security Margin** | Minimum 20%  
Collateral Security of appropriate amount to be taken to make up for the short fall in minimum-security margin 20%. |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>6.</td>
<td><strong>Interest Rate</strong></td>
<td>Prevailing Interest Rate</td>
</tr>
<tr>
<td>7.</td>
<td><strong>Repayment Period</strong></td>
<td>7-8 years in quarterly installments including moratorium of 1-2 Years.</td>
</tr>
<tr>
<td>8.</td>
<td><strong>Rebate on Timely Payment</strong></td>
<td>As per prevailing Policy.</td>
</tr>
<tr>
<td>9.</td>
<td><strong>Processing free, Service Charges and upfront Fee</strong></td>
<td>@ 0.1%, 0.15% and 0.25% respectively on the loan amount.</td>
</tr>
</tbody>
</table>
| 10. | **Eligibility Criteria/Norms** | 1. a) The promoter should have Technical/Professional degree in any field.  
OR  
b) Any individual promoter whose project/product is recognized from National Innovation Foundation/ any other similar institution of repute in country or abroad.  
OR  
c) Promoter having experience of at least 5 years in the related field irrespective of their qualification.  
2. Promoter who already has any manufacturing unit with investment (project cost) of Rs. 100.00 lacs and above shall not be eligible under this scheme. |

(xiv) **SUBSIDY AND FACILITIES TO THE INDUSTRIES**
In order to promote industrial climate in the state various infrastructural facilities are provided such as Land, water, power, housing, educational instructions, hospitals, media-centres, shopping plazas, recreation, tourism, nature/wildlife parks and a congenial climate for a quantum growth. In fact Rajasthan has now become an ideal destination for industrialization. More than 16,500 industries are in production within the Industrial Areas developed by RIICO in Rajasthan.

They include some prominent projects set up with active financial any technical backing of the multi-national companies like:

- Samcor Glass Ltd. (Corning, US and Samsung, Korea).
- Ericsson Telecom (LM Ericsson, Sweden).
- Indian Shaving Products (Gillette, UK).
- Bausch and Lomb (Bausch and Lomb, USA).
- Climate Control Ltd. (Ford Motor Co., USA).
- Sicpa Ltd. (Sicpa s.a., Switzerland).
- MICO Bosch.
- Cooper Automobile Products (I) Ltd., (Champion, USA).

Total infrastructure support is provided to industrial projects in Rajasthan by way of developing industrial area and townships, a programme in which Departments of the Government of Rajasthan are participating. RIICO has developed 279 Industrial areas so far. Apart from infrastructure development, RIICO also provides financial assistance-term loans, working capital loans and direct equity support to industry in Rajasthan. Other agencies involved in industrialization in the State are- Rajasthan Financial Corporation that provides term loan assistance to tiny, small and medium sector projects and Bureau of Investment Promotion, which provides escort services to the entrepreneurs and is the State’s single window agency in addition to the Directorate of Industries.

Entrepreneurs have been facing difficulties in securing conversion of land from agricultural to industrial land. To resolve this problem, provision has been made for automatic conversion of land in rural areas up to 5 hectares. Moreover, RIICO helps to units
in locating ideal land for industries. To assist the units from power problem RIICO has framed some policy matter such as:

- New Industrial units having connected load not more than 300 KVA, are exempted from power cut to the extent feasible.
- 100% EOUs investing more than Rs. 10 crores are 100% exempted from power cuts.

a) **EXEMPTIONS TO NEW INDUSTRIAL CONSUMERS**

Small scale and medium scale units with power load up to 150 KVA are exempted from payment of minimum charges for a period of one year from the date of power connection and are required to pay only for the actual consumption. Industrial Consumers are allowed to pay the actual consumption charges for a period of 6 months from the date of release of connection and for next 6 months the consumer is allowed relaxation in minimum charges to the extent of 50%.

Captive Power Plant Policy has been framed to create an institutional mechanism for providing easy and automatic entry for industry to meet its requirement of energy by setting up its own generating station.

b) **THE RAJASTHAN INVESTMENT PROMOTION SCHEME - 2010.**

A Scheme announced by Government of Rajasthan to facilitate investment in Rajasthan in establishment of New Enterprise (S) and / or investments made by the existing Enterprise (S) for Modernization / Expansion / Diversification. The scheme has come into effect from 25.08.2010 and shall remain in force up to 31st March 2018.

The Scheme, except for ineligible enterprises, is applicable to New Enterprise, Existing Enterprise making investment for Modernization/ Expansion/ Diversification, Sick industrial enterprise for its revival and Enterprise which has set up Project for Common Social Good as defined under the Scheme; however subject to the condition that the Enterprise shall commence commercial production or operation during the operative period of the Scheme and meet conditions for minimum investment and minimum direct employment.
Under the Scheme, Subsidy consisting of Investment Subsidy and Employment Generation Subsidy shall be allowed for a period of seven years (Ten years for MSME located in the notified area). The maximum amount of Subsidy shall be 50% of the total amount for tax (es) that is VAT and CST or SGST (whenever introduced), which have become due and have been deposited into the government exchequer, however, an Additional subsidy to the extent of 10% of the amount of said tax (es) which have become due and have been deposited into the government exchequer shall be allowed to women/SC/ST/Person with disability (PWD) entrepreneur, by way of additional investment subsidy. The scheme also provides for following exemption (S) 100% exemption of Luxury Tax for seven years (Ten years for MSME located in the notified area) 50% exemption of Electricity Duty, Entertainment Tax, Land Tax and Mandi fee for seven years (Ten years for MSME located in the notified area). 50% exemption of Stamp Duty on purchase or lease of land construction / improvement on such land (one time for each such transaction for the same project).

50% exemption of conversion Charge payable for change of land use (one time for each such transaction for the same project.) The State Government may grant customized package to any enterprise such as; New Enterprises having investment of more than Rs. 500 crore and providing minimum employment to 200 persons; Enterprises having potential of very high employment generation; and Enterprises having special importance for the State as referred by Industries Department. (For Details of the Scheme, kindly visit website of Bureau of Investment Promotion, Rajasthan - www.investrajasthan.com) The State Govt. has announced -

- "Package for Investment in Power loom Sector in the Districts of Jodhpur, Pali and Bomer" wide order dated 12.07.2011
- "Special Incentive package for Ceramic and Glass Sector - 2011" vide order dated 07.10.2011 (Above orders and amendments therein may be seen on website of Finance Department, Government of Rajasthan www.financ.rajasthan.gov.in)
- IT and ITES Police 2007: To encourage establishment of IT SMEs in Rajasthan a subsidy up to Rs. 25 Lacs of the rate of Rs. 10,000 per employee would be given to the five II/IIES companies investing in the State and directly employing more than 50 employees in It or 100 employees in ITES sector.

50% exemption from Stamp duty to eligible IT/ITES units.
c) **REBATE IN LAND RATES**

- RIICO offers following land rebate to industrial plot allottees in non-saturated industrial areas:
  - 50% rebate in land rate to Schedule Caste and Schedule Tribe up to a maximum of 2,000 sq. meters land.
  - 50% rebate in land for setting up Electronics Industry up to a maximum of 4,000 sq. meters land.
  - 15% rebate in land rate to physically handicapped persons desirous of setting up their industry up to a maximum of 2,000 sq. meters land.
  - 25% rebate in land rate to ex-servicemen up to 2,000 sq. meters.
  - 25% rebate in land rate to women entrepreneurs up to 2,000 sq. meters; 25% rebate to war windows up to 2,000 sq. meters.
  - 20% rebate in land rates for setting up Solar Energy Industry up to 4,000 sq. meters. 5% of plats for size to 2000 sq. meters or less in the area are reserved for women and SC/ST entrepreneurs and 2% of plots of size up to 2000 sq. meters or less are reserved for Ex-Servicemen for allotment till area is declared saturated or plots are available up to ceiling size.
  - Rebate @ 10% in the rate of rate of allotment shall be given for allotment of land measuring 10,000 sq. meters or more in non-saturated industrial areas. This rebate shall increase @ 0.5% per 1,000 sq. meters land maximum up to 25%. Besides, an additional rebate of 10% shall be given by way of refund if applicant takes minimum 20,000 sq. meters land and makes an investment of minimum Rs. 500 million within a period of 5 years.
  - 2% rebate in allotment rates is allowed to all applicants in above cases, provided 100% development charges are deposited with application form.
Table 2.8
Rebates on Disposal of Land

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Category</th>
<th>Ceiling of Area (in sq. meters)</th>
<th>Concession</th>
<th>Copy of Certificate to be submitted along with land application form</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Member of SC/ST</td>
<td>2000</td>
<td>50%</td>
<td>Caste Certificate issued by competent Revenue Authorities</td>
</tr>
<tr>
<td>2.</td>
<td>Electronic Unit</td>
<td>4000</td>
<td>20%</td>
<td>Certificate issued by the Director of Industries as Electronic Industry.</td>
</tr>
<tr>
<td>4.</td>
<td>War Widow</td>
<td>2000</td>
<td>25%</td>
<td>Certificate of Sainik Board certifying that her husband was employee of the Indian Army/ Navy / Air Force and died in war/action.</td>
</tr>
<tr>
<td>5.</td>
<td>Disabled Persons (Physically Handicapped)</td>
<td>2000</td>
<td>50%</td>
<td>Certificate from the Chief Medical and Health Officer of the District certifying that applicant is a physically handicapped person</td>
</tr>
<tr>
<td>6.</td>
<td>Woman Entrepreneur</td>
<td>2000</td>
<td>25%</td>
<td>No certificate is required (Amended per IDC decision taken vide item7 on 21.2.2004)</td>
</tr>
<tr>
<td>7.</td>
<td>Solar Energy Unit</td>
<td>40000</td>
<td>20%</td>
<td>Certificate issued by the Director of Industries mentioning that the project is related to Solar-Energy.</td>
</tr>
</tbody>
</table>

Source: Disposal of land 2012

Table number 2.8 shows that RIICO provides 50% land rebate to SC/ST community, 20% to electric unit, 25% to Ex-service man, 25% to war widows, and 50% to disabled persons, 25% to woman entrepreneurs and 20% to solar energy units.
(xv) **INCENTIVES AND FACILITIES BY THE GOVERNMENT OF RAJASTHAN**

a) SEZs are exempted from land ceiling.

b) Land conversion @ Rs 100/- in rural areas for SEZ.

c) 100% exemption from stamp duty to developers, co-developers and nits in SEZs.

d) 100% exemption from stamp duty payable on the lease deed or rent deed to units in SEZs.

e) 100% exemption to units from electricity duty for 10 years.

f) 100% exemption from work contract tax to units, co-developers and developers up to 23.08.2014 (up to 23.08.2017 in backward areas).

g) 100% exemption from entry tax to units on capital goods brought into local areas by the unit required for use as capital goods for setting up industry in SEZ.

h) 100% exemption from VAT to units on sale or purchase by a registered dealer being an industrial unit established in SEZ, of goods specified in certificate of registration, for the purpose of exclusive use in the manufacturing of goods for sale in the course of exports out of the country.

i) 100% exemption from luxury tax for 7 years.

j) 50% exemption from entertainment tax for 7 years.

(xvi) **RIICO CATALYTIC ROLE**

RIICO has played a catalytic role in the industrial development of Rajasthan by way of providing various facilities, sanctioning, exemptions, helping in sowing their difficulties in production, markets etc. Services provided by RIICO to investors and entrepreneurs include: Site selection and Acquisition of Land; Financial assistance to small, medium and large scale projects; Direct equity participation in large projects; Technical consultancy for project identification and technical tie up; Escort services, facilitation of government clearances; Merchant banking and financial tie ups and; Extending incentives and concessions according
to the policy of State Government. RIICO has been instrumental in setting up of various prominent projects in the State through active financial and technical backing of multi-national companies such as:

- Honda Siel Cars India Ltd. (Honda, Japan)
- Genpact (GE Capital, USA)
- Ericsson Telecommunication Ltd. (LM Ericsson, Sweden)
- Gillette India Ltd. (Gillette, USA)
- Bosch and Lamb Eye care (I) Pvt. Ltd. (Bosch and Lomb Inc., USA)
- Climate System (I) Ltd. (Ford Motor Co., USA)
- Spica (India) Ltd. (Spica, Sweden)
- Motor Industries Co. Ltd. (Mico) (Bosch, Germany)
- Aksh India Ltd. (Rosendale, Austria)
- Sakata Inx (India) Ltd. (Sakata, Japan)
- Okapi Chassis Parts Pvt. Ltd. (Okapi Spa, Italy)
- Cooper Automobile Products (I) Ltd. (Champion, USA)
- Nissan Brake India Pvt. Ltd. (Nissan, Japan)
- Otsuka Chemical (India) Pvt. Ltd. (Otsuka Chemical Co., Japan)
- Saint Gobain Glass India Ltd. (Saint Gobain, France)
- Honda Motorcycle and Scooter India Pvt. Ltd. (Honda, Japan)

RIICO has developed 323 industrial areas spread all over the State, of which around 98 industrial areas are located either on Golden quadrilateral corridor or on East - West corridor or on North - South corridor or on National Highways. More than 30, 312 industrial units are in production within the industrial areas developed by RIICO.

(xvii) **PROBLEMS/WEAKNESSES OF RIICO**
There are many problems/weakness of RIICO including the following:-

a) There is a shortage of staff in RIICO.

b) Sometimes, qualified and technical staff is found in short supply. Hence, RIICO cannot produce desired results.

c) Most of the staff members at RIICO are not adequately trained. Hence, they cannot pursue the objectives of RIICO in true spirit.

d) Red-tapism and bureaucratic style is usually seen in practice at RIICO. It is because the Government employees and civil servants usually operate the RIICO.

e) It is usually noticed that there is a lack of coordination between the general manager and functional managers of RIICO.

f) Lack of coordination is also noticed between RIICO officials and the other agencies that work with RIICO (Banks, RIICO, RFC etc.). Therefore, entrepreneurs face many problems.

g) Powers with the officials posted at the RIICO are inadequate. They are not the final authority to decide on the matter. The authority sitting away from the RIICO takes them simply process the applications received and decision.

h) RIICO do not have their funds. They cannot themselves provide any financial assistance to the entrepreneurs. Entrepreneurs get the financial assistance from the Banks, RFC and RIICO.

i) RIICO also does not have sufficient resources and infrastructure facilities. All RIICO does not have industrial estates/areas, regular power supplies, and adequate supply of raw materials. Therefore, RIICO cannot discharge their functions properly.

j) There is a lack of integrated plan for RIICO to execute RIICO are required to implement many different plans. For example, Prime Minister’s Rojgar Yojana, handloom development scheme, rural industries scheme, self-employment scheme etc. are the schemes, which are implemented by RIICO. Therefore, they cannot concentrate efforts for entrepreneurship development.
(xviii) SUGGESTIONS FOR THE SUCCESS OF RIICO

a) Adequate staff should be deployed at each RIICO.

b) Properly trained staff should be deployed at RIICO.

c) The officials at the RIICO should make sincere efforts for coordinating with all the agencies and their officials.

d) Technically and professionally sound and experienced persons should be appointed for managing the RIICO.

e) Officials deployed at the RIICO should be provided with proper authority necessary for handling the job on the spot.

f) Finance/credit should be made available immediately after the sanction.

g) Credit managers should have authority to disburse at least a minimum amount of sanctioned loan.

h) The Government should ensure the availability of all the resources and infrastructure facilities at each RIICO.

i) Entrepreneurs should be timely provided with necessary resources such as raw materials, electricity etc.

j) Common facility centres should be set up at each RIICO for the use of all the entrepreneurs of the district.

Proper marketing facilities should be developed so that entrepreneurs may get a ready market for their products.

(xix) SWOT ANALYSIS

SWOT Analysis of Term Lending Activity of RIICO

SWOT represents Strengths, Weaknesses, Opportunities and Threats. In case of RIICO these are analyzed as under:

a) STRENGTHS
• Carrying on yet another important activity of development of industrial areas, making available land and all other necessary infrastructure to industrial units at one point.

• Spread of network throughout Rajasthan having its regional offices.

• RIICO being an industrial catalyst has very good contacts with industrialists and industrial houses.

• RIICO being a State Enterprise commands wholehearted administrative and financial support of the State Government and Central Government for implementation of various schemes for Industrialization of the State, which in turn improves the liquidity of RIICO and its connection with industrialists’ community.

• The quality of personnel employed by RIICO is par excellence and capable of meeting out challenges posed by business competition and changing economic environment.

• A team of Senior IAS officers manages RIICO, which helps it in improving productivity at all levels, getting better bargain from commercial banks or other lending institutions and desired support from government functionaries.

b) WEAKNESS

• RIICO being a State Enterprise is more prone to be interfered by State Government, which curtails its autonomy and freedom of decision-making.

• Senior IAS Officers appointed by State Government mange it, which are frequently transferred leading to a situation of unstable management, lack of vision and uniform administrative directives.

• RIICO has no financial professional on its board or as Chief Executive Officer of finance. A person of Rajasthan Accounts Services on deputation holds the post of financial advisor from State Government, who cannot be regarded as finance professional from any count.

• RIICO for requirement of funds for its business operations depends on borrowings be it from State Government, refinance institutions or commercial banks. Naturally cost of funds of RIICO going to be higher as compared to commercial bans. RIICO being a public sector undertaking has limitations to borrow from foreign banks or parties at cheaper rate of interest to improve margin on lending.
- Area of operation of RIICO is confined to the State of Rajasthan; this restricts the volume of business and as per commercial prudence low volume low profit.
- RIICO has not yet adopted computerized functioning of desired level leading in more processing and saving time and energy.
- RIICO having legacy of government functioning has a very high overhead rate. Excessive manpower is in place. There is no adequate control over use of items of stationary, electricity, water, telephone etc.

**c) OPPORTUNITIES**

- RIICO is the sole agency in Rajasthan making available industries fully developed with all necessary infrastructure such as roads, streetlights, water, power, drains, common facilities, bank buildings, police check post, post office buildings, trade center, local market etc. This gives an opportunity to RIICO to have deeper relations with entrepreneurs likely to turn borrower.
- RIICO has well knit network spread throughout Rajasthan to administer its industrial areas. These offices can be utilized to mobilize the demand of finance and serving of borrowers without any additional cost.
- RIICO is a premier institution of the State and commands a very good status in the State; this commanding position can be capitalized by developing confidence of the business community in RIICO.
- Senior IAS officers manage RIICO; this situation can be still better exploited for bargaining better deals from leading institutions or State/Central/Government.
- Finance professionals can easily be recruited to head its term loan activity, which shall help RIICO to a great extent in building its business, meeting challenges, adopting changes, devising modules of achievement, marketing of lending in competitive environment.

**d) THREATS**

Many commercial banks as well as private parties who were hitherto extending short term finance have come up in the field of long term financing. Banks have distinct advantage of lower cost of funds as compared to RIICO.
• RIICO is dependent on Banks for meeting out its fund requirement. Hence flexibility at RIICO’s end is restricted to a large extent.
• Average age of RIICO’s employee has touched 50 years. With restriction on new recruitment it may render RIICO an obsolete organization in a short span of time. Young blood with more energy and newer ideas is a must to sustain and its progress.