

'RIICO flouted land use rules to aid firm'

CAG Finds Lapses That Cost Raj PSU ₹3.55cr

TIMES NEWS NETWORK

Jaipur: The CAG has picked holes in the way RIICO has approved the Change in Land Use (CLU) norms for a company in Neemrana industrial park that not only violated the rules of the central government, but also did not adhere to the directions of its board of directors. RIICO's decision extended an undue advantage of Rs 3.55 crore to M/s. Naveen Gaur and Harish Gaur.

Neemrana Phase-1 was notified under Industrial Park Scheme-2002 (IPS 2002) and any approval of land conversion should be done with the consent from the central government. Even though the board of directors of RIICO in 2018 had allowed the chairman to raise the ceiling on commercial use in general industrial areas from 15% to 20% on a case to case basis, it excluded units in IPS 2002.

RIICO not only increased the ceiling of non-industrial use for Neemrana Phase-1, but also did so in a way that saved M/s. Naveen Gaur and Harish Gaur Rs 3.55 crore. Industrial units pay CLU charges at twice the rate of prevailing industrial rates.

The CAG said, "Audit further observed that allotment rate for this industrial area was revised from Rs 3,000 to Rs 4,500 per sq-mtr with the approval (July 23, 2018) of the competent committee. However, office order effecting the revision of rates was issued



Picture for representation only

Earlier, the application of the company for Change in Land Use was rejected, following which it had approached the court

belatedly on August 24, 2018. The unit head, Neemrana, participated in the July meeting for revision in allotment rates and thus, he was well aware of the revision in allotment rate of the area. Despite this, the unit office raised on August 8, 2018 demand for conversion charges on pre-revised rate which led to extension of undue advantage of Rs 3.55 crore to the allottee firm."

Earlier, the application of the company for CLU was rejected, following which it had approached the court. "Besides, the company (RIICO) suo motu granted in principle permission for CLU of the plot in favour of the allottee firm without ensuring withdrawal of the writ petition filed by it," the CAG observed.

It said the reply of the government was in contradiction of its earlier reply and was not acceptable. "The limit of 10% (non-industrial use of the total industrial land) prescribed in IPS 2002 was the maximum limit and the Company (RIICO) could exceed the earmarked 3.11% for commercial use only after obtaining approval from the government of India," it remarked.

After the CAG's query, RIICO subsequently raised a demand on the company to pay the differential amount in July 2019. As M/s. Naveen Gaur and Harish Gaur failed to pay the money, RIICO withdrew the permission for CLU. M/s. Naveen Gaur and Harish Gaur has filed a civil suit against RIICO.