

Overall Analysis of Rajasthan State Industrial Development and Investment Corporation (RIICO): A Critical Study

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Introduction

Rajasthan State Industrial Development and Investment Corporation (commonly known as RIICO) is a key agency of the Rajasthan Government that has played a key role in the industrial development of Rajasthan. In 1980 RSIMDC split into its RIICO and RSMDC.

The company was incorporated as his RSIMDC on March 28, 1969 and assumed its current name on January 1, 1980. It has 30 branches in Rajasthan and employs about 800 people. To date, RIICO has acquired approximately 85,390 acres (345.6 km²) of land to develop 360 industrial parks. In his RIICO developed industrial zone in Rajasthan, more than 42,300 industries produce.

The only government organisation in Rajasthan is the Rajasthan State Industrial Development and Investment Corporation Ltd. has been in charge of Rajasthan's industrial development for more than 50 years, working to create land for industrial businesses. The transformation of Rajasthan as the nation's industrial powerhouse has been largely credited to RIICO.

A ready-to-use basis with accompanying infrastructural facilities in the industrial zones is easily accessible to large, medium, and small-scale projects thanks to RIICO's development and management.

RIICO Industrial Areas

- Roads, storm water drainage systems, energy networks, street lighting, water supplies, landfills, etc. are examples of robust infrastructure.
- Every environmental clearance (EC) obtained in accordance with Central and State Government Regulations Development of industry in its whole including infrastructure for commerce, society, institutions, and housing in certain industrial zones.

STRATEGIC PROJECTS

- Greater Bhiwadi Industrial Township FinTech Park at Jaipur.
- Plug-and-Play Center at Jaipur.
- Marwar Industrial Cluster Mega Textile Park.
- Jodhpur Petroleum, Chemicals & Petrochemicals Investment Region (PCPIR) near Petroleum Refinery cum Petrochemical Complex at Barmer Industrial areas along Gas Grid.

GUIDELINE FOR GRANT OF ASSURED CAREER PROGRESSIONS SCHEME TO RIICO EMPLOYEES

1. Three financial upgrades are planned. The service period shall begin on the day of commencing a normal appointment direct entry level position.
2. Thus, the Level at the time of financial upgradation under the ACP can, in certain cases where regular promotion is not between two successive Level be different than what is available at the time of regular promotion. In such cases, the higher Level attached to the next promotion post in the hierarchy of the concerned cadre will be given only at the time of regular promotion.
3. The benefit of pay fixation that is provided during conventional promotion will also be permitted during financial upgradation under the scheme. As a result, if there is no cell in the Level from which the employee is to be granted ACP, one increment shall be given in that Level, and the employee shall be immediately promoted to the Level above in proportion to the figure so determined in the Level from which the employee is to be granted ACP. If the promotion is for a position carrying a higher level than the one being promoted to, only the pay for that level in the pay matrix will be fixed at the time of the

regular promotion. There will, however, be no further fixing of pay at that time as permitted by ACP.

4. When the date of increment and the date of eligibility for ACP coincide, the first increase will be permitted in the current Level and pay will thereafter be established in the immediately next Level in accordance with item (3) above.
5. (I) Regular Service as described in the following reproduction of Rule S(xiii) of the RIICO Employees Scale Rules: "Regular service" refers to and includes the work that a RIICO employee performs after being hired via a regular selection process that complies with the provisions of the applicable recruitment guidelines for that position. Ad hoc or urgent temporary service is not considered to be part of the employee's regular service.
6. The ACP only considers placement on a personal basis in the next level up and the award.
7. The subsequent financial upgrade will likewise be delayed to the same level as the prior financial upgrade if a financial upgrade under the ACPS is deferred and not allowed because the employee is "and owing to departmental Proceedings etc.
8. Financial advancement under the ACPS must be personal to the individual and has no bearing on his level of seniority. As a result, senior employees who claim that a junior employee in the same Level has a higher Level under the ACP will not receive any additional financial upgrades.
9. Existing RIICO employees who previously benefited from the three selection grades/ACP under the order from 1992 and the RIICO Employees Services (Revised Easy Pay Scale) rules from 2008 are ineligible for the issuance of ACP. Those RIICO personnel will receive their second and third ACPs, respectively, at the conclusion of two years of regular service. RIICO employees who have received two ACPs, two promotions, or both a promotion and an ACP will be eligible for a third ACP when their respective regular service periods of 27 and 30 years have been completed.
10. Before becoming eligible for a financial upgrade, an employee may be offered a conventional promotion, but if they decline it, they are not stagnant for lack of opportunity and cannot receive a financial upgrade. However, if financial upgrading has been permitted as a result of employee stagnation. If the employee later declines the promotion, such refusal is not a reason to revoke the Financial upgrade. He will not, however, be eligible to

be considered for a promotion or for a subsequent financial upgradation, and the next financial upgradation will be delayed by the length of the delay resulting from the denial.

Environment polices/rules

Abatement: The process of using treatment to lessen the amount, intensity, or saturation of a pollutant or other dangerous chemical.

Acidification: Decreasing a substance's pH level causes it to naturally become more acidic; for instance, greater carbon emissions cause the oceans to absorb more of it, causing acidification and harming ecology like coral bleaching.

The "active ingredient" in a chemical composition is the component that provides the desired effect; this term is also used in medicine. In medical applications, the chemical fights the bacteria, virus, or tumour. It is the chemical that either kills or repels bugs when used as a pesticide.

Any gas released into the air as a result of commercial or industrial activity is known as an air emission. However, not all emissions are GHGs, despite the term being frequently used in combination with it.

Biomass: The total amount of vegetation within a specific ecological region.

Sites known as "brownfields" are those that have previously been developed but are now unused or abandoned.

Chlorofluorocarbons (CFCs): A class of inert chemicals that are used in a variety of industrial and domestic processes, including those in our refrigerators, but which are not broken down at lower atmospheric levels and rise to the upper levels of the atmosphere, where they destroy ozone.

Investment cell

Overview

1.	Name of scheme	Project loan scheme
2.	Purpose of loan	For setting up of a new project / expansion/ modernization/ diversification. It includes investment in land, buildings, plants& machinery, misc. Fixed assets, margin money for working capital.

3.	Eligibility criteria	<ol style="list-style-type: none"> 1. For new industrial, commercial & infrastructural projects. Also, expansion/ modernization/ diversification. Of existing unit. 2. Security margin = 25 % 3. Promoters' contribution = 30%
4.	Interest rate	Is at 10% quarterly
5.	Repayment period	7-8 years in quarterly installments including moratorium of 1 year depending on cash flow of the project.
6.	Rebate on timely payment	As per prevailing policy
7.	Security	<p>The term loan shall be secured by the following securities -</p> <ol style="list-style-type: none"> 1. Charge on fixed assets of the unit I.e., land, building, plant and machinery. 2. The first charge on Pari-passu biases on the fixed assets in case of joint financing. 3. Collateral security wherever considered necessary to cover immovable property. 4. Personal guarantees of promoters and directors.

Scheme for financing industrial land in RIICO Industrial area

The scheme's specifics are as follows:

1. Eligibility Requirements:

(a) To be eligible for the programme, a new allotment of a plot or plots that RIICO has auctioned off in one of its industrial areas must be made. The purchase of a plot through resale will disqualify it.

(b) The essential loan document is the allotment letter issued for the industrial plot. A plot is to be used in order to build an industrial facility. The "Industrial Concern" as described in the SFC Act is the industrial unit in this context. Plots used for institutional purposes, commercial purposes, or both will not be eligible.

(c) The promoter should have a good track record of payments and shouldn't have any outstanding debts with banks or financial institutions.

(d) Borrowers who have already used the option to pay the cost of the land in instalments will not be eligible for this scheme

2. Term Loan Amount: A term loan must be for at least Rs. 100,000,000. 25% of the land's bare cost will be the absolute least that the promoter must provide.

3. Acceptable interest rate.

4. Payback Period: The maximum repayment period, which includes a one-year moratorium, is five years. The promoter will follow the deadlines set forth in the letter of allotment and the RIICO Disposal of Land Rules, 1979, for beginning construction, commercial production, etc.

5. Safety

The loan must be guaranteed by two things: (a) a first charge on the land parcel that will be used as collateral; and (b) the personal guarantees of the company's promoters, directors, owners, and partners, if applicable.

When deemed essential, (c) Collateral Security.

6. Sanctioning Authority: In accordance with the Corporation's current policy for term loan sanction, the Competent Authority under the Scheme shall be.

7. The Investment Cell issues a Letter of Intent (LOI) to the borrower, with a copy also going to the Concerned Unit Office.

The Letter of Intent (LOI) shall be regarded by the Unit Office as a Letter of Assurance about payment of the cost of the land plot to the extent of the loan amount. Before the lease document is executed, any outstanding land debt that exceeds the loan balance must be deposited.

8. The payment process

The disbursement process must be carried out as follows:

(a) The borrower must provide evidence that at least 25% of the land's cost has been paid, as well as any additional land dues for the plot that are due in addition to the loan amount, if any.

(b) The borrower must sign all required legal documents, including the Loan Agreement, Personal Guarantee, and Hypothecation, with the Corporation's legal and documentation department. The borrower must also mortgage the lease deed.

(c) The distribution wing of the Investment Cell will ensure that the borrower pays any outstanding balances on the plot of land,

(d) Upon compliance with all terms and conditions of the Letter of Intent, the Corporation's Investment Cell will release the term loan amount by issuing a credit note in the unit office's Favour.

(e) The unit office will send the "No Dues Certificate" to the head office.

9. Other Requirements: (a) Regardless of whether the applicant has already received a loan from RIICO for the cost of land, the loan application for project finance from RIICO will be evaluated separately on the merits of the case.

(c) In accordance with the quarterly due dates specified in the repayment schedule attached to the LOI, interest and principal payments must be made on time.

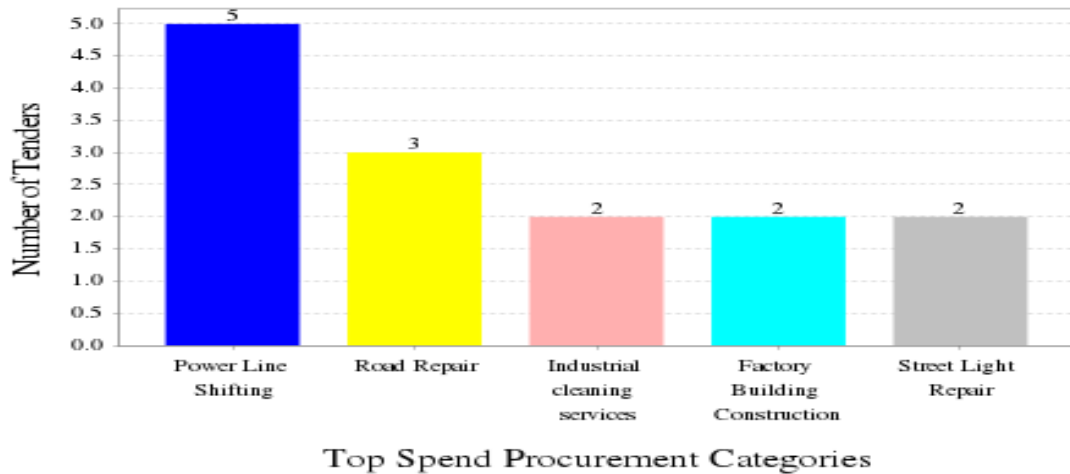
(d) The Corporation will have the right to recall and recover the loan regardless of timely repayments being made in accordance with the loan repayment schedule in the event that the promoter does not take effective steps for construction and implementation of the project within the prescribed period.

Investments by RIICO

1. Gem and Jewelry Zone in Jaipur Medical Devices Park in Baranda
2. Electronic Manufacturing Clusters in the Bhiwandi region at Karoli and Salarpur (Jodhpur)
3. Commercial Jewelry Zones in Badgaon, Sirohi IT Parks in Jaipur, Jodhpur, Kota,
4. Udaipur, Apparel Park in Jaipur, Agro Food Parks in Kota, Jodhpur,
5. Sri Ganga Nagar, and Alwar, and Auto, Cable
6. Garment Zones in Pathed (Bhiwandi)
7. Electric Vehicle Zone at Karoli, Ceramic
8. Glass Zone in Ghilotti, Bhilwara
9. Ajmer (Bhiwandi) Zone for sporting goods and toys in Khush Khera (Bhiwandi)
10. In addition to multisector Special Economic Zones in Jaipur, RIICO operates Export
11. Promotion Industrial Parks in Jodhpur, Neemrana, and Jaipur.

12. At Neemrana, where 46 units are now being produced, RIICO created the first country-specific zone in India, known as the Japanese Zone. Ghiloth has created a second Japanese Zone.

RIICO Sr DGM e Tenders Live Tenders - Top Spend Areas (by Number)



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- As shown in the chart, there most of the investments are in power line shifting then on road repair and on and on.
- The investment is more in lights on road or project as now RIICO is aggressively going for solar power which is renewable energy recourse.
- As we can see RIICO is also making roads and repairing them as well, in which the streetlight is also involved and due to this their investment in light is more than any other.

Service provided by RIICO to investors and entrepreneur include

1. Internal audit helps organizations achieve their goals by effectively assessing and controlling risk factors process within the organization. Once risk factors are identified, internal audit focuses on risk management and deal with it appropriately. Internal audits are initiated in sync with management for analysis and verification Manage your

organization by identifying areas that can strategically drive efficiency and improvement needs.

2. Internal audit serves as the department that ensures that common internal control measures are effective.
3. Evolving compliance with standards, procedures and policies established by management.

Internal audit

RIICO follows three types of audits

1. Internal audit
2. AG audit
3. Statuary audit

-In riico internal audit is done by CA.

- In AG audit they have third party auditors and CA.

-Statuary audit is done by auditors.

There are basic rules for auditors when they deal with land accounts.

(a) The "RIICO Disposal of Land Rules, 1979" may apply to these regulations.

(a) They will become operative as of May 1, 1979.

(c) They will be applicable to all lands that RIICO purchases, acquires, or holds in any other manner, as well as lands that the State Government transfers to or places at its disposal.

Role of internal audit in RIICO

Internal audit helps companies achieve their goals by effectively assessing and controlling risk factors process within the organization. Once risk factors are identified, internal audit focuses on risk management and handle it properly. Internal audits are initiated synchronously with management for analysis and review Handle your organization by identifying areas where you can strategically drive efficiency and improvement needs.

Internal Audit serves as the department that ensures that common internal control measures are effective. progress in adhering to norms, procedures, and policies established by management.

In business, there is always a basic need to understand that the business is going in the right direction. Therefore, the need for Internal audits occur when a company thrives on time, size, and operations.

Proper compliance during expansion. The urge to call an internal audit is to check if the facts of the procedure are correct.

Reports on various departmental operations and identification of non-compliance, inefficiencies and critical control and hatch areas

Remediation to recommend corrective action.

Internal audits are necessary because they deal with issues that are vital to everyone's survival and prosperity.

Internal audit is a necessity today as it has become a professional service that requires not only accounting expertise but also specialized knowledge.

In the functional areas of organizational behavior and management.

Law department

Overview

- In the law department RIICO the department must check whether the firm is doing their work according to the companies act 2013 as the firm follows the company act and works according to their rules.
- And they fight cases against them as many of their customers file cases against them or sometimes they file cases against their customers.
- And when the firm must make a huge investment or the application of loan which is more than 40 crores then this department intervein and does their work to prevent the firm from any loss which can happen by this.

- This department has a legal officer, junior legal officer and deputy officers and two lawyers and one typewriter.
- RIICO also have their own rule book in which they have mentioned their rules which are to be for their employees.

Cases they face for example

- Company name – Suraj synthetic pvt limited
- Amount authorized for loan – 1.5 crore
- Authorized capital - 2 crore
- Paid up capital – 1.80 crore
- Loan applied – working capital term loan
- History with RIICO 4 term loan has been availed
- In 2006 the company sanctioned a term loan of Rs 159 lacs by corporation by putting weaving unit with 12 nos.
- Plot measuring 4045.35 sq meters Bhilwara.
- Cash profits – 57 lakhs, 158 lakhs, 200 lakhs in the last three years.
- Net worth – 624 lakhs, 683 lakhs, 728 lakhs of last three years.
- Tax paid – 10 lakhs, 11 lakhs, 8 lakhs.
- Promoters' names - Mr. Pushpender, net worth – 209 lakhs
- Consisting of an immovable property residual plot and agriculture land worth 77 lakhs.
- Total income- 44 lakhs tax paid 12 lakhs
- Shri Kushal Singh Metha- net worth is Rs 143 lakhs residential plot consist of 2 lakhs
- Total income – 9 lakhs tax paid – 67000
- SSPL regular in repayment.

Term loan dues and its accounts have been classified as standard assets over the year it has repaid Rs 523 lakhs 39% of total amount.

Particular	Sanctioned	Outstanding's
Cash credit	200	184
Demand loan	20	7
Capital demand loan	15	13

CIBIL Report - 655

- They filed a case against RIICO about the land area as it is less in measurement than what is written in the document and demanding a refund.
- But RIICO response is the land is same measurement as it is written in document.

Document required for the case by RIICO

1. Memorandum of entry.
2. Undertaking
3. Power of attorney
4. Deed of hypotication
5. Trust letter
6. Affidavit
7. Declaration
8. Promoters address
9. Company letter of acceptance

CONDITIONS AND TERMS OF LEASE

The lease agreement's terms and conditions, as well as any additional rules that may be established from time to time by the Corporation, must be followed by the allottee. Within 90 days of the complete development charges being paid, the lease deed must be executed in Form "C." When allotment is done in instalments, a lease deed in Form "D" must be signed within 90 days after the date of allotment. Senior DGM/Senior RM/RM may also consent to lease agreements being signed before the remainder of development fees has been paid.

PREMIUM PAYMENT TERMS:

The applicant or allottee is required to pay the premium at the rate that is periodically set by the Corporation for each industrial area. Water and electricity delivery up to main roadways may incur additional fees. If a competent court increases the compensation payable under a future award, the Corporation has the right to increase the rate of industrial area allocation.

For land allotments made without an auction

25% premium is required as well as the application form for the land allotment. Without interest, the remaining 75% of the premium must be paid within 120 days of the date of allocation.

Regarding land allocations made through an auction

The remaining 75% of the premium for the plots that will be allocated for commercial, residential, or industrial use by auction (sealed bids) will be paid in instalments as follows:

- a. If the cost of the land is less than one crore rupees, the remaining 75% of the premium will be paid in three equal quarterly instalments, with interest (at the rate that may be established from time to time).
- b. If the land cost exceeds 1 crore, the remaining 75% of the premium land will be paid in seven equal quarterly instalments with interest (at the rate that may be established from time to time).

Finance IPI department (Industrial promotion and infrastructure)

Overview

- In this department they work on land development
- To develop a land, they create AS (administrative sanctions).
- These AS are only for the land, which is under RIICO, in other words it was purchased by RIICO in the past.
- The AS are of four types
 1. Upgradation
 2. Additional
 3. Special AS
 4. Revised AS
- Special service when Rajiya Sarkar transfers the land to RIICO. instead of AS they have special service.
- To make AS for land they are having data given by their unit office and their amount under different heads it is kind of budgeting in accounting terms.
- In additional AS they keep 10 % of the total amounts of heads for further use.
- Expenses are mainly related to
 1. Road

2. Borewell
3. Electricity
 - In the finance department they record the expenses and income.
 - In this they record in terms of deposit and payments
 - They compare their income from targeted income
 - And actual expenditure with targeted expenditure
 - Difference of income should be more, and expenditure would be less

When these AS are being made

1. Special AS – it is made at the time of special case when the expenditure is more than the income. At that time, they use the money which is saved for this special purpose.
2. Additional AS – when the land is not being upgraded for a long period at that time this is made to make upgradation in land for example borewell, pump etc.
3. Upgradation – when they have to upgrade the land in a certain period as this AS is most used by the RIICO. Land upgradations must be done over a certain period.
4. Revised AS – when a new area is launched at that point of time this AS is used by the department.

Investment cell

Workings-

- In the investment cell I must go through the files in which a person is applied for the loan on projects or land and details of the project or land which customer is given.
- In which I must check all the documents submitted by the customer to see whether they are correct or not or if there is any misleading information to get the loan.
- And to check that he has submitted all the documents and filled in the form correctly.
- Then I must check if the person is eligible for the loan or not as eligibility criteria is mentioned above the table.
- If eligible, then the file is passed to the officer for further processing.
- Also, I must check the information of promoter they have entered is right or wrong which is very important part of this process because promoter gives the guarantee if the person is not able to pay the loan, he will pay the due amount.
- Where to invest and how to check the process.

- The CIBIL rating of the company before the investment
- The CIBIL rating must be above 650.
- Payment for premium check dates and amount and match it then calculate whether both are correct or not

Audit department

Workings-

- In this I must check the accounts made by different departments Whether they are correct or not
- Or to check whether any missing figure or misprinting of amount is there or not if there then I must write a para in which stating their mistake and tell them to rectify it as soon as possible.
- And to see whether the accounts are made properly according to the rules or not, if not then I must write that mistake in another column and tell them to consider it and make an appropriate change.
- Then the file is sent to the department concerned and waits for their reply. If the mistake is rectified, then the file closes there only if not then again goes to same process till rectification is not done.
- Sometimes they give response to the mistake, and we must read the response and act according to it as it is a long process, it takes time do it.
- And the department checks the accounts of their 30-unit offices.
- At the end of the month every unit office sends their accounts to get checked by head office.
- After all the files are rectified, they also go through the customer accounts to see whether they have made their account properly or not, if not then send them mail regarding the mistake they have made.

Law department

Workings-

- To check the files in which the loans are sanctioned to customers to see whether the document is legally enforced or not.
- Assistance with transactions, such as with contracting and compliance.

- Helping the organization comprehend how changing laws and regulations may affect its operations and business strategy.
- Additionally, by giving early warning and intelligence and participating in the strategy-forming process, you can minimize risk and assist your organization in becoming more efficient. Legal, regulatory, and compliance concerns, as well as the associated costs, should be considered in good company planning.

Finance AS department

Working-

- In this one must first check the files send by unit office of there requirements in land.
- Then one must look for the possible AS which can fits into that particular requirement or not.
- If yes, then the assignment of the AS and according to their need.
- AS is mainly assigned when water for irrigation, pump, road in land, electricity etc they require.
- Each AS has different workings.
- When the land is required to upgrade for example need of a hand pump then the upgradation AS is required.
- And if, when land requires some additional work then the additional AS is assigned to the land.
- When expenses of the land area changes as when earlier the expenses are less but now require more then revised AS is used.
- And when the expenditure on land is more than the income in that case special AS is used as it is for these types of special cases they have and this case is very rare.
- The accounts are pre-determined and there format is also determined as only they have to enter the amount on it which they require.
- In each AS they also check how much earlier they have spend and how much now they are asking according to this they will decide.

Discussion & Conclusion:

Along with the opportunity to develop and learn a talent, one can acquire practical knowledge. How to complete a variety of jobs in a disciplined manner is among the most significant skillsis being learnt.

On the other hand, the benefits of the double entry system it is discovered to be pertinent during the acquisition of this practical knowledge that aligns with the theories learned in the classroom. For their business, RBB uses a data entry system. It keeps track of every financial transaction by debiting and crediting it. This system makes it possible to calculate the bank's profit and loss

The likelihood of fraud, mistakes, and account manipulation is thereby decreased. A solid record of all business transactions is provided by the double entry system, which records transactions in a methodical and scientific manner. The information and reports produced by this system are quite trustworthy for making decisions as well.

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