



**STATE INFRASTRUCTURE AND INDUSTRIAL DEVELOPMENT
CORPORATION OF UTTARAKHAND LIMITED (SIIDCUL)**
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No: 439/SIIDCUL/MD/2024

Date: 18 June, 2024

Office Order

Policy for Fixation of Base Rates

Pursuant to decision taken by the Board of Directors of the Company in its 63rd Board Meeting held on 06.03.2024 and to bring a uniform rational policy for fixation of base rates of land premium in SIIDCUL Industrial Areas aimed at recovery of all cost associated with acquisition of land, its development and its upkeep while ensuring that rates are kept competitive, especially for new and slow moving industrial areas, the enclosed policy for Fixation of Base Rates of Lease Premium for new industrial areas, where base rates are yet to be fixed and for revision of base rates for existing industrial areas, are hereby approved.

Henceforth all fixation and/or revision of base rates of lease premium for different uses in Industrial Areas inherited or developed or to be developed by SIIDCUL shall be done in accordance with this policy and shall be done with approval of Managing Director. Any exception in this regard, in a particular case, shall be subject to approval of Board

Encl: As above

With approval of the Board


(Rohit Meena)

Managing Director

Copy to,

1. General Manager
2. Company Secretary
3. General Manager (Planning)
4. AGM (A/c)
5. AGM (IT) - for putting it on our website
6. All Regional Managers

Policy for Fixation of Base Rates of Lease Premium for Allotment of Land in SIIDCUL Areas

(As approved by Board in its 63rd Board Meeting held on 06.03.2024)

Objective

1. The basic objectives which this policy aims to achieve are as follows:-
 - a) To recover all cost associated with acquisition of land and their upkeep by way of land premium fixed.
 - b) To ensure that land premium so fixed take into account prevailing circle rate at the time of fixation.
 - c) To ensure that lease premium fixed for Industrial use are kept competitive and minimum possible for new industrial areas.

Applicability

2. The policy shall be applicable from the date it is approved by the Board of SIIDCUL.
3. For new industrial areas the rate fixed under this policy shall be applicable from the date of office order issued in this regard. For existing industrial areas, where rates have already been fixed earlier, the rates shall be reviewed and, if required, be revised each year and shall be applicable from the start of subsequent Financial Year.

Fixation of Base Rates - For New Areas

4. Base Rates for new areas for which base rates have not been fixed earlier shall be fixed by first arriving base rate for industrial use and then applying multiplying factors as prescribed for arriving at base rates for other uses like residential, commercial, institutional etc.
5. Base rate of industrial plots/lands for new areas shall be fixed by aggregating the following costs and components and then allocating the aggregate cost arrived on per square meter allottable land in such proportionate manner that entire aggregate cost get recovered by way of land premium :-
 - a) Land Cost
 - b) Development Cost
 - c) SIIDCUL Margin

6. While allocating the aggregate cost arrived on per square meter allottable land for different uses the multiplying factor applicable for different uses shall be taken into account to arrive at correct per unit base rates for different uses.
7. Highest of following shall be taken as **Land Cost**:-
 - a) Total Acquisition Cost or Purchase Cost or Cost fixed by State Government at the time of transfer of Government Land to SIIDCUL and all incidental expenses, connected with that with 5% escalation for each completed year passed since such acquisition/purchase/transfer subject to a maximum of 25% in total.
 - b) In case the State Government has not fixed a rate at the time of transfer of Government Land to SIIDCUL, prevailing circle rate for agriculture land in the area at the time of transfer with 5% escalation for each completed year passed since such transfer subject to a maximum of 25% in total.
 - c) 110 % of prevailing Circle Rate(s) for agriculture land or 5 0% of prevailing Circle Rate(s) for Non-Agriculture Rate applicable in the area at the time of fixation of base rate, whichever is higher.
8. The **Development Cost** shall be taken as aggregate of following [a) and b)]:-
 - a) Actual Development Cost for Development of **basic internal infrastructure** like roads, drainage, sewerage network, CETP, electrical infrastructure, street lights, landscaping etc. as may be required or envisaged.
“OR”
Where Actual Development Cost is not available, Estimated Development Cost arrived on the basis of estimate prepared/arrived in Project Report/Pre-feasibility report etc.
“OR”
Where neither actual development cost is available nor any estimated cost has been calculated and there is urgency for arriving at base rate, Rs.1500/- per square meter rate or such other rate as may be considered appropriate considering the specific nature and requirement of infrastructure for that area shall be multiplied by total area to arrive Internal Development Cost.
 - b) Where for a particular area any **additional infrastructure** like connecting road etc. is to be created and the cost of such external infrastructure is required to be borne by SIIDCUL, the actual development cost for such external work(s) or estimated cost of such external work(s) shall be included in Development Cost.

- c) Where estimated cost of development or assumed cost of development has been taken to arrive at base rates, in future as and when actual cost of development is known after completion of development, at the time of revision thereafter any difference between such estimated cost or assumed cost with actual cost incurred shall be taken into consideration and suitable adjustment of rates shall be made to recover any additional cost incurred. However no change of rates shall be applicable in such cases where allotment of land/plot has already been made.
- d) While calculating internal and external development costs, all incidental or attached costs like centage etc. shall be included.
9. **SIIDCUL Margin** shall be taken as 10% of Land Cost arrived as per clause 7 given above on notional basis to cover miscellaneous administrative costs and cost of funds.
10. In case any other incidental or associated cost is involved for development of that particular area, such cost incurred or to be incurred in that regard shall be included in the development cost.
11. **Aggregate Total Cost** arrived shall then be apportioned on per square meter of allottable land as per following formula to arrive at per square meter cost on which applicable multiplication factor shall be applied to arrive at Base Rates for different uses:-

$$\text{SQMC} = \text{ATC} / [(\text{IA} * 1) + (\text{RA} * 2) + (\text{InA} * 1.25) + (\text{CA} * 2.5)]$$

Where,

SQMC	=	Per Square Meter Cost (Rs.)
ATC	=	Aggregate Total Cost (Rs.)
IA	=	Allottable Industrial Plot Area (SQ.MT.)
RA	=	Total Allottable Residential Area (SQ.MT.)
InA	=	Total Allottable Institutional Area (SQ.MT.)
CA	=	Total Allottable Commercial Area (SQ.MT.)

12. Per Square Meter Cost arrived as per formula given in clause 11 above would then be multiplied by following multiplication factor based on different uses to arrive at base rates for different uses, which would be rounded off (in hundred) for fixation purpose:-

Use	Multiplication Factor
Industrial	1
Institutional	1.25
Residential	2.0
Commercial	2.5

Revision of Base Rates – For Existing Areas

13. Every year before the end of Financial Year a general review of base rates of all the existing areas, where base rates have earlier been fixed, shall be done and if required based on parameters/considerations specified, be revised accordingly, which shall be applicable, unless specified otherwise, from the start of immediate next financial year.
14. For this purpose average rate quoted by successful applicants for plots in particular Industrial Area or where no plot was allotted in that area, in such cases, in nearby comparable area during the financial year shall be ascertained. If such rates are significantly higher than prevailing base rates, then in such cases base rates may be suitably revised upwards.
15. If in any Industrial Area which appears to be slow moving, there is not much demand and despite inviting bids no interest is being shown by investors, the base rates may be kept unchanged. This would however be subject to provisions contained in subsequent clauses.
16. Where in any industrial area any major infrastructure work has been undertaken which was not envisaged earlier or where work was envisaged but the cost has increased significantly and the cost/increased cost of which was not considered while fixing base rates earlier, the same shall be factored in and apportioned on remaining allottable area while fixing the revised base rates.
17. If Circle Rates fixed by Revenue Authorities have increased and such increased Circle rates is significantly higher than base rates fixed earlier, base rates should be revised upwards to the extent possible considering marketing dynamics.
18. Unless based on above parameters it has been expressly decided, for reasons to be recorded, to keep the base rates of an Industrial Area unchanged, minimum 5% increase shall be done in base rates every Financial Year.
19. In no case the base rates shall be revised downwards without specific approval of the Board, which may in appropriate cases either generally or in specific case(s) may decide to revise the base rates downwards.

General

20. Managing Director shall constitute a Committee consisting of representatives from Planning, Operations/Commercial and Finance/Accounts wings of the Company and such other officials of Company either on permanent basis or

every year/instances to recommend initial base rates/revised base rates as the case may be based on above parameters.

21. The Committee constituted as per above clause 20 shall submit its recommendation to Managing Director for approval, who may approve it as such or with such modification(s) as he deems fit. Once approved the new/revised rates shall be notified by an Office Order and shall be put on Company website for information to all.
22. The base rates fixed above shall be the minimum rate below which no bids shall be invited or allotment shall be made except in cases where land is being allotted at a lower rate pursuant to a decision taken by State Government under any prevalent policy of State Government for industrial promotion or pursuant to a policy decision taken by SIIDCUL Board earlier. Any case not falling within the above exception shall be put up before Board for approval / ratification.
23. Bids with minimum asking rate over and above this base rate can be invited in appropriate cases where marketing dynamics so demand with approval of Managing Director in interest of SIIDCUL.
24. Once revised the base rates should not be normally revised again before next Financial Year. However if any such direction is received from State Government or from Board of SIIDCUL, rates can be revised earlier also.



(Rohit Meena)

Managing Director