

**RAJASTHAN STATE INDUSTRIAL DEVELOPMENT AND
INVESTMENT CORPORATION LIMITED**

Minutes of : 4/2021 - Board Meeting
Venue : Udyog Bhawan, Jaipur
Day & Date : Wednesday, the 24th November 2021
**Commencement/Completion
time of the meeting** : 10.30 A.M./ 12.15 P.M.

Present :

Shri Kuldeep Ranka	Chairman RIICO
Shri Ashutosh A.T. Pednekar	Managing Director RIICO & Secy. Industries Commissioner Industries and Commissioner (Investment & NRI)
Smt. Archana Singh	
Shri Shakti Singh Rathore	Managing Director RFC
Shri Sitaram Agarwal	Independent Director
Shri Sunil Parihar	Independent Director

Shri D.K. Sharma, Secretary was in attendance. Smt. Rukmani Riar Sihag, ED; Shri Ashok Pathak, Financial Advisor/CFO; Shri Pukhraj Sen, Advisor (Infra.) and Shri R. K. Limba, CGM (Investment) were also present.

Quorum: The Chairman was present. As the quorum was present, the meeting was called to order. Quorum was present throughout the meeting.

Leave of absence: The Board granted leave of absence to Dr. Subodh Agarwal, Shri Akhil Arora and Shri Anand Kumar.

Rescheduling of Meeting: The meeting was originally scheduled for 22nd November 2021 at 3.30 P.M. for which notices along with the agenda notes were issued timely, however, due to unavoidable reasons the meeting has to be rescheduled for 24th November 2021 at 3.30 P.M. and subsequently preponed to 24th November 2021 at 10.30 A.M. All the directors were telephonically informed in advance. The directors present in the meeting unanimously consented for the re-scheduling.

**Item 1: To confirm the minutes of the 3/2021 meeting of the Board held on
20th July 2021.**

The minutes of the meeting of the Board held on 20th July 2021 were confirmed.

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Item 2: Action Taken Report on the decisions of the previous meeting of the Board held on 20th July 2021.

The Board noted the position brought out in the agenda note and made few suggestions which have been summarized as General Observations of the Minutes.

Item 3: To note the minutes of the meeting of the Infrastructure Development Committee of the Board held on 25th August 2021, 27th September 2021 and 22nd October 2021.

The minutes of the meetings of the Infrastructure Development Committee of the Board held on 25th August 2021, 27th September 2021 and 22nd October 2021 were noted.

Item 4: To note the minutes of the 2/2021 meeting of the State level Settlement Committee of the Board held on 2nd November 2021.

The minutes of 2/2021 meeting of the State level Settlement Committee of the Board held on 2nd November 2021 were noted.

Item 5: Certificate of Legal Compliance quarters ended on 30th June 2021 & 30th September 2021.

The Board took on record the Certificate of Legal Compliance for the quarters ended on 30th June 2021 & 30th September 2021.

Item 6: Quarterly Performance Review of the activities of the Corporation for the quarter ended on 30th September 2021.

The Board noted the quarterly performance review of the activities of the Corporation for the quarter ended on 30th September 2021 and emphasized to increase sanction of term loans.

Item 7: Status and the progress in respect of development of Petroleum, Chemicals and Petrochemicals Investment Region (PCPIR) in the vicinity of Refinery-cum-Petrochemical Complex at Pachpadra, District Barmer, Rajasthan.

The Board noted the position brought out in the agenda note. The Board suggested that allotment of land, in the industrial areas being developed by RIICO in the vicinity of the Refinery-cum-Petrochemical Complex, be made to the industries in the related sectors only and general category allotment may be made in other industrial areas. The

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Board further directed that a clear understanding be arrived at with the Management of the Refinery about the raw material/byproducts which they may make available/sold to the industries to be established in PCPIR, so that prospective industrialist may be assured on this account and investment may be catalyzed. Development works, including appointment of PMC, be expedited.

Item 8: Approval of Board's Report and fixation of the date for the Annual General Meeting.

The Board discussed the agenda and approved the Board's Report for the Financial Year 2020-21. The Board adopted the following Resolution:

RESOLUTION:

“RESOLVED that approval be and is hereby accorded to approve Board's Report for the Financial Year 2020-21 and to authorize the Managing Director of the Company to make changes in the report, if any, before submission of the same to the shareholders. The Chairman was also authorized to sign the Board's Report on behalf of the Board.”

The Board also accorded approval for the following:

- 1) To call the 52nd AGM at a shorter notice with the consent of the requisite number of shareholders;
- 2) To authorize the Chairman to fix the date and time for holding the 52nd AGM;
- 3) To authorize the MD to approve the management's replies on behalf of the Board, in case of a qualified report of CAG.
- 4) To authorize the MD to approve the notice of AGM;
- 5) To authorize the Secretary to issue notice of AGM under his signature and to circulate the report of CAG to shareholders.

Item 9: Approval of Cost Audit Report.

The Board discussed the agenda and accorded approval to Cost Audit Report along with the annexure as submitted by M/s. A. Goyal &

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Company, Cost Auditor, for financial year 2020-21 and authorized the Managing Director and Company Secretary to sign and file the same on MCA portal, on behalf of the company.

Item 10: Approval of Financial Statements for the financial year ended on 31st March, 2021.

The Board was informed by the Chairperson of the Audit Committee that the Committee in its meeting held today has reviewed the Annual Accounts and recommended the same for consideration by the Board. The main observations of the committee were also briefed to the Board.

The salient features like highest ever revenue earnings, profit before tax, recovery of infra dues and highest ever plots auctioned during the financial year 2020-21 were briefed to the Board by the CFO. The Board placed on record its deep appreciation for Team RIICO for achieving remarkable & ever highest level of financial results, under the stewardship of the Managing Director.

The Board after discussions accorded approval to the Standalone and Consolidated Ind-AS financial statements of the company for the financial year ended on 31st March 2021 along with accounting policies, notes on financial statements and other information annexed thereto, proposals for making necessary reserves, provisions, write-off/write-back, updating the accounting policies with appropriate modification, re-wording therein etc., wherever required.

The Board adopted the following Resolutions:

“RESOLVED that approval be and is hereby accorded for the following:

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A. Provisions :

- 1) To make a provision of Rs. 190.00 cr. towards Income- tax based on current year's income.
- 2) To write back provision of Rs. 19.22 cr. on account of reversal of credit impairment of term loans as per Ind AS 109.

B. Gain/Loss in Valuation of Investments:

To book loss of Rs. 0.53 cr. in valuation of non-current Investment and gain of Rs. 1.28 cr. in units of current investments as per Ind AS 109 on account of fair valuation of investments.

C. Reserves

To create a reserve of Rs. 6.75 cr. as Special Reserve under section 36 (1)(viii) of Income Tax Act, 1961 in respect of Term Loan Revenue.

D. Proposed Dividend

Payment of dividend @ 10% of the paid up share capital of the company, amounting to Rs. 21.01 cr., for the financial year 2020-21, to the shareholders in view of profits during the financial year.

FURTHER RESOLVED that approval be and is hereby accorded to approve Standalone Ind-AS and Consolidated Ind-AS financial statements of the company for the financial year ended on 31st March 2021, comprising of Balance Sheet, Statement of Profit & Loss and Cash Flow Statement for the year ended on that date, together with changes in Accounting Policies and notes thereon. Shri Kuldeep Ranka, Chairman; Shri Ashutosh A.T. Pednekar, Managing Director; Shri Ashok Pathak, Chief Financial Officer and Shri D.K. Sharma, Secretary were authorized to authenticate the aforesaid annual accounts & documents and to hand-over the same to Statutory Auditors for their report thereon.”



After completing the above agenda items, the Board took a brief break and re-assembled to consider and approve the following table agenda items, which were taken up with the permission of the Chair, and the unanimous consent of directors present in the meeting, and approved the same unanimously:

Item 11: Approval of Master Plan (Layout Plan) for SEZ & DTA of Mahindra World City (SEZ), Jaipur.

The Board discussed the agenda and also perused the opinion given by Learned Advocate General Rajasthan, in the matter. After detailed discussions the Board accorded ex-post-facto approval to all the previously approved lay out plans (except withdrawn layout), as mentioned in the agenda note. The Board also authorized the Managing Director of the Corporation for approval of master plan (layout plan) for SEZ & DTA of Mahindra World City (Jaipur) Limited (SEZ), in future.

Item 12: Ex-Post-facto approval of proposal for payment of Bonus/Ex-gratia.

The Board accorded ex-post-facto approval for payment of Bonus/Ex-gratia for the financial year 2020-21, as under:

- i. All the employees of the Corporation who are drawing salary up to Rs. 21,000/- per month, the maximum amount of Bonus and Ex-gratia will be paid @ Rs. 7,000/- and Rs. 1,400/- per annum respectively.
- ii. All the employees of the Corporation, who are drawing salary more than Rs. 21,000/- per month, the amount of Ex-gratia will be paid @ Rs. 8,400/- per annum.

Item 13: Adoption of Statutory Audit Report for FY 2020-21.

The Board was informed that Audit Committee in its meeting held on 24th November 2021 had detailed discussions on the Financial Statements for the year ended on 31st March 2021 and the draft Independent Auditors' Report thereon with Shri Rajendra Singh Zala





and Shri Sanjeev Kumar Mathur, partners of M/s. BL Ajmera & Company, Chartered Accountants, the Statutory Auditors of the company for the FY 2020-21.

After detailed discussions, the Board adopted Independent Auditors' Report on the Standalone and Consolidated Ind-AS financial statements of the company for the year ended on 31st March 2021 and authorized the Managing Director to approve and sign the management replies on the comments of the Independent Auditors' Report dated 24th November 2021 and the Annexure thereto, on behalf of the Board. The replies may be circulated to the shareholders along with the report of the Statutory Auditors.

Item 14: To accord approval for acquisition of 2283.4135 hectares private khatedari land.

The Board discussed the agenda and accorded approval for the following subject to first seeking requisite clarifications from the Department of Revenue, GoR about category of land and multiplying factor for determining the cost of land proposed for acquisition:

- i. In-principal approval for taking development of proposed industrial township comprising of 3068.8172 hectares land at Marwar Industrial Cluster (known as JPMIA SIR) in District-Pali in phased manner in accordance with existing notified Master plan of the said area.
 - a. Acquisition of Ist Phase 1089.8825 hect. private land of five villages namely Nimbli-Brahamnan, Rohat, Dhundhli, Singari, Doongarpur as per table mentioned at para 10 (phase Ist) under the provisions of The Right to Fair Compensation and



Transparency in Land Acquisition, Rehabilitation and Resettlement Act 2013.

- b. Similarly, in IInd phase private land measuring 1193.5310 ha. will be acquired under the provisions of The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act 2013.
- ii. Acquisition of 2283.4135 hectares private land of five villages as mentioned in para (10) of the agenda note under the provisions of Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 and rules made there under by the State Government.
- iii. To pay compensation and/or cost of aforesaid identified land from the funds of the Corporation.
- iv. Transfer of funds by RIICO towards compensation shall be made initially for 1st phase and thereafter for next phases, as & when required on need basis.
- v. To make request to the State Government to allow RIICO to submit proposal before the District Collector, Pali pertaining to aforementioned private khatedari land to acquire in accordance with the provisions of Act of 2013 and rules made there under.
- vi. To authorize Managing Director RIICO cum CEO RDA to take all allied actions in connection of acquisition of identified private agriculture land or any left-out agriculture khasra and also to take actions for transferring the land of other departments falling under activation areas and authorizing any officer of RIICO to execute necessary indenture on behalf of RIICO-RDA in connection of

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acquisition of identified private agriculture land as well as transfer of land belonging to other departments falling under activation area.

General Observations:

The Board made following comments/recommendations while discussing ATR, the Annual Financial Statements and quarterly results:

1. Computerization/ERP should be executed in a time bound manner.
2. The reasons for low level of sanctions of term loan be identified, analyzed and effective steps be taken to address the problem areas. If required, the existing schemes of term lending be reviewed to remove the bottle neck and interest rate structure of the Corporation be further rationalized to match the interest rates of other SIDCs/banks to attract good term loan proposals. With these suggestions, the Board directed to push up vigorously for sanction of term loan. Requisite suggestions may also be taken from Shri Sitaram Agarwal, Independent Director.
3. While considering rationalization of RIICO Disposal of Land Rules, the suggestions of Independent Directors may also be taken into consideration.
4. The relevant rule relating to furnishing of valid documents/evidences to prove the date of commencement of commercial production be rationalized so as to have clear directive for the Unit Heads to examine the cases accordingly.
5. The relevant rule regarding permissible vertical development (height of building) in an industrial plot, for industrial use, be rationalized as the present permissible maximum height of 15 meter for industrial building was decided way back. If technically

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feasible, the upper ceiling on industrial building height may be increased.

6. Special emphasis be placed to revamp the infrastructure of transferred/old industrial areas, particularly those near to big cities. Budget may be allocated under the head of special maintenance, if sufficient cushion is not available in the AS.
7. Possibilities be explored to develop Industrial area Kolayat and Baap as Model Industrial Areas as ample solar power, natural gas and raw material is available in closed vicinity to establish ceramic industries.
8. The issue of allotment of undeveloped land, on the approved rates/ reserve price, on the spot in the Business Campaigns to be organized in connection with 'Invest Rajasthan' Summit, be examined.
9. The service industry/support services essential for industrial areas be defined to facilitate allotment of plot/change of land use for this sector.
10. In view of declining trend in the rate of interest, the Board reduced the rate of interest being levied on installments facility for payment of land cost and under the Scheme for Financing of Industrial Land in RIICO Industrial Areas from present 9% p.a. to 8% per annum, to be made effective from the date of issue of office order in this regard.

In respect to the applicable rates of interest charged on term loan/investment activity of the Corporation, the Board authorized the Managing Director to rationalize the interest rate structure in line with the interest being charged by other SIDCs/banks.

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11. The management may consider framing methodology for approval/
rejection of single bid received in e-tender for allotment of plot(s).

The meeting concluded with a vote of thanks to the Chair.



CHAIRMAN

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EXTRACT copy of General Observations from the minutes of 4/2021 meeting of the Board of Directors of Rajasthan State Industrial Development & Investment Corporation Ltd., Jaipur held on Wednesday 24th November 2021 at 10.30 A.M.

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No. A.3(2)2/291/21

Dated 3.1.2022

Copy to: Advisor (Infra)/Financial Advisor/CGM (Investment)/GM (BP)/DGM (Computer)/GM (Civil)/GM (P&D)/STP


Secretary