

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

Minutes of : 1/2020 - Board Meeting
Venue : Udyog Bhawan, Jaipur
Date : 18th March 2020
Commencement/Completion time of meeting : 3.00 P.M. / 4.15 P.M.

Present :

Shri Kuldeep Ranka	Chairman RIICO
Dr. Subodh Agarwal	ACS, Industries
Shri Niranjan Kumar Arya	ACS, Finance
Shri Sandeep Verma	Principal Secretary, Revenue
Shri Kunji Lal Meena	Principal Secretary, Mines & Petroleum
Shri Ashutosh A.T. Pednekar	Managing Director, RIICO
Smt. Urmila Rajoria	Managing Director, RFC
Shri Muktanand Agrawal	Commissioner Industries

Shri D.K. Sharma, Secretary was in attendance. Shri Ashok Pathak, Financial Advisor; Shri Pukhraj Sen, Advisor (Infra.) and Shri R.K. Limba, GM (Finance) were also present.

WELCOME OF DIRECTORS

At the outset, the Board welcomed Shri Sandeep Verma and Shri Kunji Lal Meena on their appointment as Directors on the Board of the Company and expressed hope that Board will be benefited with their association.

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

The Board noted that the notice and the agenda items were circulated at a notice period of less than seven days, therefore, all the members present in the meeting unanimously agreed to waive the minimum notice period requirement, took up these items for consideration/approval, unanimously.

Item 1: To note the minutes of last meeting of the Board held on 22nd November 2019.

The minutes of the meeting of held on 22nd November 2019 were noted. The Secretary informed to the Board that the Director, Shri Sandeep Verma, Principal Secretary, Revenue, vide his letter dated 18.3.2020, has made observations on some of the agenda items of this meeting. One of the observations was regarding Resolution no. 2/2019 adopted by circulation regarding registration of RIICO on TReDS Platform.

As regards this observations it was clarified that as per the notification dated 2nd November 2018 of Ministry of MSME, it was made mandatory for registration on TReDs Platform by a company having turnover of more than Rs. 500 cr. to facilitate Trade Receivable Financing to MSME through this portal. Further, the supplier is required to make payment against the supplies/ services within a period of 45 days and in case of the delay, the same is required to be reported in a return to be filed online on MCA, GoI website. It was further informed that the Corporation has been making payment to MSME suppliers within the prescribed time limit and there has been no default on this account. So far, in none of the case bill has been discounted by the MSME supplier. As regards the observation about requirement under RTPP Act for full payment against the supplies in accordance with the conditions of documents, it was clarified to the Board that RIICO makes full payment, less LD if any, to the supplier or to the Bill Discounting Agency. Bill discounting cost/expenses are paid by the supplier to the bill discounting agency directly. The cost/expenses of bill discount depends on the rating of the purchaser/seller, money market conditions etc., to which RIICO has no say. However, a clause regarding availability of the facility of TReDS platform for MSME supplier may be inserted in the NIT for future.

As regards selection of one particular entity for operating TReDS Platform, the Board was informed that RBI has given license to only three agencies for the purpose. The Corporation had initially applied to Receivable Exchange of India Ltd. (RXIL) for registration, however, inspite of follow up the agency did not respond. Therefore, RIICO approached the another licensee, namely, Mynd Solutions Pvt. Ltd. for the purpose, as the feedback from REIL, a joint sector project of RIICO with GoI, was good. RIICO got it registered as a participant for Trade Receivable Discounting System (TReDS) Platform for which onetime fee of Rs. 25,000/- was paid. It was also clarified that factors for discounting of invoices on the TReDS

Platform are decided between the Bill discounter and the Bill discountee to which RIICO has no intervention.

Item 2: Action Taken Report on the decisions of the previous meeting of the Board held on 22nd November 2019.

The Board noted the position brought out in the agenda note. The Board was informed that the meeting of the sub-committee of MD RIICO, Commissioner Industries and FA RIICO constituted to review investment activity, diagnose the problem and suggest improvements; which was scheduled on 13th March 2020, could not be held. It was directed to convene the meeting at the earliest and the recommendations be placed before the Board.

Item 3: To note the Resolution passed by circulation regarding proposal for rationalization of allotment rate of Industrial land.

The Board discussed the agenda and adopted the following Resolution passed by circulation on 22nd January 2020:

RESOLUTION (1/2020):

“**RESOLVED** that approval be and is hereby accorded for rationalization of Reserve Price of the Industrial plots in the industrial areas, as contained in the agenda note, where allotment rate has been decided but area had not been opened for general allotment as well as new industrial areas for which administrative sanction is yet to be issued.”

While noting the decision, the Board also directed that the names of the areas where allotment rate has been decided but area had not been opened for general allotment be uploaded on the website of RIICO.

Item 4: Minutes of the meeting of the Audit Committee of the Board held on 20th November 2019.

The minutes of the meeting of Audit Committee of the Board held on 20th November 2019 were noted.

Item 5: Minutes of the last 2/2019 meeting of the Corporate Social Responsibility Committee (CSR Committee) of the Board held on 6th December 2019.

The minutes of 2/2019 meeting of the Corporate Social Responsibility Committee of the Board held on 6th December 2019 were noted.

In view of the observations of Principal Secretary, Revenue that installation of Solar Power Plants on government building is to be undertaken under RESCO mode so that no capital expenditure is to be made by any department for installation, the Board directed that the issue be discussed with Secretary, Rajasthan Vidhan Sabha for further needful action in the matter. As regards the selection of REIL as implementing agency, it was clarified that as per CSR Rules 2014 notified by Ministry of Corporate Affairs, GoI, dated 27.02.2014, the Board of a company may decide the implementing agency for its CSR activities. Further, as per Corporation's CSR Policy, CSR project or programme or activity may also be undertaken through a government entity decided by the CSR Committee. REIL being a government entity and having experience of implementing various solar projects under CSR activities for CONCOR India, IREDA, PFC, GAIL, NFL, AAI, HUDCO was selected as implementing agency for this CSR project. It was also suggested that while approving CSR funding, emphasis be placed on skilling of local communities etc.

Item 6: Minutes of the last 3/2019 meeting of the Infrastructure Development Committee of the Board held on 30th December 2019.

The minutes of 3/2019 meeting of the Infrastructure Development Committee of the Board held on 30th December 2019 were noted.

Item 7: Minutes of the last meetings of the Industrial Committee of the Board held on 30th January 2020 and 3rd February 2020.

The minutes of 1/2020 and 2/2020 meetings of the Industrial Committee of the Board held on 30th January 2020 and 3rd February 2020 were noted.

Item 8: Minutes of the last meetings of the State Level Settlement Committee of the Board held on 30th December 2019 and 14th February 2020.

The minutes of 2/2019 and 1/2020 meetings of the State Level Settlement Committee of the Board held on 30th December 2019 and 14th February 2020 were noted.

Item 9: Appointment of Directors on the Board of the Corporation.

The Board noted the appointment of Shri Dinesh Kumar, Ex- Principal Secretary Mines & Petroleum, Government of Rajasthan, as director on the Board of the Corporation, in place of Shri Sudershan Sethi with effect from 23rd December 2019. The Board placed on record its sincere appreciation for the valuable contribution made by him during his tenure on the Board of the Corporation.

The Board was also informed that Industries (Group-I) Department GoR, vide order dated 17th March 2020, has appointed Shri Sandeep Verma, Principal Secretary, Revenue vice Shri Sanjay Malhotra and Shri Kunji Lal Meena, Principal Secretary, Mines & Petroleum vice Shri Dinesh Kumar, as Directors on the Board of Directors of the Company, w.e.f. 17th March 2020. The Board noted the same.

Item 10: Disclosure of interest by director.

The Board noted interest disclosure, made pursuant to Section 184(1) of the Companies Act 2013 read with the relevant rule 9(1), by Shri Dinesh Kumar, disclosing his interest in other Companies, Bodies Corporate and Firms.

Item11: Certificate of Legal Compliance for quarter ended on 31st December 2019.

The Board took on record the Certificate of Legal Compliance for the quarter ended on 31st December 2019.

Item12: Reconstitution of Industrial Committee & Quorum of Statutory Committees.

The Board discussed the agenda and accorded approval for re-constitution of Industrial Committee by nominating Commissioner Industries as its member in place of ACS, Industries. The other members shall remain unchanged.

The Board also accorded approval to fix the quorum for the respective meetings of Audit Committee, Corporate Social Responsibility Committee and Nomination & Remuneration Committee as “one-third of the total strength or two members, whichever is higher”.

Item13: Clarification regarding decision taken by the BoD vide item (16) of its meeting dt. 27.03.2018 for raising the ceiling upto 20% of non-industrial use in saturated industrial areas (except those notified under the Industrial Park Scheme-2002.

The consideration of agenda item was deferred with the following comments:

- i. Take an in-house opinion, whether the restrictions of limiting the land use for commercial purpose upto 10% of the total allocable area under the Industrial Park Scheme 2002 was to be followed in perpetuity or only for the period of tax holiday.
- ii. Whether there are other similar cases, as that as pointed out by the A.G., in other 14 industrial areas where the area for non-industrial use has been increased beyond 15% of salable area. And whether a same policy has been adopted by the Corporation in other similar cases.
- iii. A list of 72 areas notified under Industrial Park Scheme 2002 be made available on RIICO’s website.

Item14: Change in Accounting Policy for Income of Economic Rent.

The Board discussed the agenda and accorded approval to follow cash basis of accounting in respect of Income from Economic Rent from F.Y. 2020-21 and onwards. Other requisite actions be taken accordingly.

Item15: Amendments in Scheme for Corporate Loan, Graded Interest Rebate System Scheme (GIRS) and Policy of the Corporation with regard to non-levy of interest after taking over of the assets of units.

The Board discussed the agenda and accorded approval for the following amendments:

- A. **Scheme for Corporate Loan:** The words ‘and/or’ be replaced in place of the existing words ‘as well as’ in the eligibility conditions of this scheme.

B. Incentive Scheme for Good Borrowers: The eligibility criteria under the scheme as regards to Minimum Promoter's Contribution be amended as follows:

Minimum Promoter's Contribution of 25% with overall debt equity ratio of the company as 1.50:1. Minimum promoter's contribution shall not be applicable for the loans sanctioned under MTMPL (Medium Term Multi Purpose Loan Scheme), WCTL (Working Capital Term Loan Scheme) and Scheme for Corporate Loan as the loans under these schemes are sanctioned based on the existing security of fixed assets and fresh promoter's contribution is not required to be raised.

C. Graded Interest Rebate Scheme for Fresh Term Loan (GIRS): The general terms & conditions for working out the eligibility under the scheme are partially amended as below:

- a. The stipulation as regards to availing 100% of loan be dispensed with for the purpose of deciding the base year provided that atleast 90% of the sanctioned loan is availed, project is otherwise fully implemented and un-availed loan is cancelled by RIICO.
- b. The performance of the account shall be watched for atleast four complete quarters after the final disbursement to adjudge whether the account is standard assets. In case the account is classified as standard assets for all the four quarters, benefit of GIRS will be allowed from the following fifth quarter & onwards subject to meeting other conditions of the scheme.

D. Policy of the Corporation with regard to Non-Levy of Interest after taking over of the assets of unit(s): The existing policy, not to levy interest on the outstanding term loan dues after the date of fixed assets takeover by the Corporation/other institutions under section 29 of SFC's Act, be also adopted equally in the following cases of takeover of fixed assets resulting into closure of the unit, possession not remaining in the hands of the borrowers and the assets become unproductive:

- a) The Official Liquidator in case of winding up proceedings under the provisions of Companies Act.
- b) The Resolution Professional appointed under Insolvency Bankruptcy Code.
- c) Central Excise (now CGST) Department/Customs department.
- d) Under the provisions of SARFAESI Act or under the orders of DRT.

- e) Symbolic possession taken by the Corporation or any other financial institution and/or any authority under the provisions of respective act.

However, levy of interest shall not stop after takeover of assets in case of Realty Sector Borrower(s). The policy of the Corporation, approved by the Board in its meeting held on 27th June 2007, which provides for levy of interest, in case where surplus arises on sale of takeover assets, shall continue to be followed.

The Board also authorized the Managing Director of the Corporation to consider and approve such similar amendments in various Schemes for Financial Assistance and the Board be informed of such amendments.

Item16: Proposal for allocation of Rs. 173.40 lac to REIL for the project of installation and commissioning of Solar Power Plant at Rajasthan Vidhan Sabha, Jaipur as part of Corporate Social Responsibility of the Corporation.

The Board decided to take decision on this agenda note in the light of decisions recorded at Item 5 above.

Item17: Status Note on Non-Performing Assets (NPA) in Realty Sector and major defaulters.

The Board discussed the agenda and formed a sub-committee of MD RIICO, MD RFC and Commissioner Industries to review the status and give its recommendations.

Item18: Quarterly performance review of the activities of the Corporation (III Quarter ended 31st December 2019).

The Board noted the quarterly performance review of the activities of the Corporation for the quarter ended 31st December 2019, and directed that a qualitative report may also be given.

Item19: Ex-post-facto approval for purchase of Two Air Conditioners at RIICO Office Jaipur (Rural), Jaipur.

In pursuance to the circular dated 30.6.2010 issued by the Finance Department, GoR, the Board accorded ex-post-facto approval for purchase of two Air Conditioners (Two ton each) at a cost of Rs. 90,000/- for RIICO unit office at Jaipur (Rural).

The Board also authorized the Managing Director to approve purchase of Air Conditioners and Vehicle in future and inform the Board accordingly.

The Board also directed to get examined whether the above directives of the State Government are under Article 138 of Articles of Association of RIICO or not.

Item20: Ex-post-facto approval for purchase of 25 nos. Air Conditioners at RIICO Office Udyog Bhawan Jaipur.

The Board accorded ex-post-facto approval for purchase of 25 nos. Split Air Conditioners (two ton each) with five star rating for RIICO Head Office at Udyog Bhawan, Jaipur, with estimated cost of Rs. 23.54 lac.

Item21: Budget Estimates for the F.Y. 2020-21 and Revised Estimates for Financial Year 2019-20.

The Board discussed the agenda and accorded approval to the Budget Estimates for the year 2020-21 and Revised Budget Estimates for the year 2019-20.

Item22: Status and the progress achieved in the development of Integrated Industrial Zone (IIZ) in the vicinity of Refinery cum Petrochemical Complex at Pachpadra, District Barmer, Rajasthan.

The Board noted the status and progress of IIZ. It was suggested that setting up of a Development Authority for PCPIR as IIZ be done under the aegis of RIICO.

The following agenda items taken up with the permission of the Chair and the unanimous consent of directors present in the meeting were approved unanimously:

Item23: Re-constitution of Committee for approving the proposal(s) that requires the consent of RIICO as shareholder of Mahindra World City (Jaipur) Ltd.

The Board discussed the agenda and accorded approval for re-constitution of Committee, for approving the proposal(s) that requires the consent of RIICO as shareholder of Mahindra World City (Jaipur) Ltd., by appointing Managing Director RFC as the member of the Committee vice ACS Industries. The other members shall be the same.

Item24: De-reservation of industrial plots in various industrial areas which were earlier reserved in the year 2013 for allotment of land to candidates selected by RFC under “Yuva Udyamita Protsahan Yojana (YUPY)”.

The Committee discussed the agenda and directed to seek views of RFC and State Government for de-reservation of the reserved plots under Yuva Udyamita Protsahan Yojana.

Item25: Appointment of Tax Auditors u/s 44 AB of the Income Tax Act for the Financial Year 2019-20.

The Board discussed the agenda and appointed M/s Jain Shah & Company, Chartered Accountants, Jaipur as Tax Auditors, for Financial Year 2019-20 at a fee of Rs. 1,20,000/- plus GST, for Tax Audit.

General Observations:

1. While discussing ATR regarding regularization of unauthorized construction on plot no SP-7 (A) at I/A Sitapura Jaipur; the Board directed that a reference to the Administrative Department shall be made only when a decision is required to be taken at the level of State Government.
2. Wherever a decision is taken on the initiative/directives of the State Government, a copy of the relevant office order be sent to the concerned in the State Government and it shall also be hosted on RIICO's website for wider publicity, if the decision is of common interest.
3. A presentation be given before the members of the Board as regards to the activities of the Corporation so as to understand better the functioning, critical issues, opportunities & challenges etc. and to seek guidance of Board.

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

CHAIRMAN

Date: 14 .5.2020

Place: Jaipur