

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

Minutes of :1/2018 - Board Meeting
Venue :Udyog Bhawan, Jaipur
Date :27th March 2018
**Commencement/Completion
time of meeting** : 4.00 P.M. /5.30 P.M.

Present :

Shri Rajeeva Swarup	CMD & ACS Industries
Shri D.B. Gupta	ACS, Finance
Smt. Aparna Arora	Principal Secretary Mines & Petroleum
Shri Kunji Lal Meena	Commissioner Industries
Shri Anoop Khinchi	MD, RFC
Shri Anil Bafna	Independent Director

Shri D.K. Sharma, Secretary was in attendance. Ms. Anupama Sharma, Financial Advisor; Shri Vijai Pal Singh, Advisor (Infra); Shri R.K. Gupta, CGM (BP); Shri Rajan Kapoor, GM(Civil); and Shri R.K. Limba, GM (Finance) 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 accorded leave of absence to Shri Khemraj Choudhary; Dr. Tina Soni and Shri Raman Kumar Sharma.

As the agenda notes were circulated at a notice of less than seven days, the Directors present in the meeting unanimously agreed to waive the minimum notice period and take up all the items for consideration:

Item 1: Confirmation of minutes of the last meeting of the Board held on 30th November, 2017.

The minutes of the meeting of Board held on 30th November 2017 were noted.



Item 2: Action Taken Report on the decisions of the previous meeting of the Board held on 30th November 2017.

The Board noted the position brought out in the agenda note. A presentation was made by the Managing Director on RIICO Vision 2017-18, explaining the progress so far achieved and initiative taken for its attainment. As regards policy for allotment of undeveloped land, the Board was informed that as decision on the amount of premium to be paid by the Corporation, for allotment of government land for development of industrial areas, is under active consideration of the State Government, a final call on the issue will be possible after the decision.

Item 3: Minutes of the meeting of the Infrastructure Development Committee of the Board held on 24th November 2017, 8th December 2017 and 2nd February 2018.

The Board noted the position. The Board also took cognizance of the minutes of IDC held on 24th November 2017 wherein the Committee referred matters for the consideration of the Board in respect of instances of false reporting to IDC and also open defiance of the MD and expressed its serious concern. However, since the then MD was transferred out subsequent to that meeting, the Board decided that no further action is required.

Item 4: Minutes of the meeting of the Industrial Committee held on 1st December 2017.

The Board noted the position.

Item 5: Minutes of the meeting of the State Level Settlement Committee held on 2nd February 2018.

The Board noted the position.

Item 6: Minutes of the meeting of the CSR Committee held on 16th January 2018.

The Board noted the position.

Item 7: Minutes of the meeting of the Audit Committee held on 27th November 2017.

The Board noted the position.

Item 8: Withdrawal of Director from the Board of the Corporation.

The Board noted withdrawal of the nomination of Dr. Subodh Agarwal, Ex-Principal Secretary MSME & Khadi Gram Udyog, GoR, from the Board of Directors of the Corporation, with effect from 3rd February 2018.

Item 9: Disclosure of interest by a director.

The Board noted interest disclosure pursuant to Section 184(1) of the Companies Act, 2013 read with the relevant rule 9(1), from Shri Rajeeva Swarup, disclosing his interest in other Companies, Bodies Corporate and Firms, vide notice dated 20th December 2017.

Item 10: Certificate of Legal Compliance for the quarter ended on 31st December 2017.

The Board taken on record the Certificate of Legal Compliance, for the quarter ended on 31th December 2017.

Item 11: Transfer of Shares.

The Board noted the position and accorded approval for the transfer of two equity shares of Rs. 10/- each of the Company with effect from the Government order dated 26th December 2017 & 2nd February 2018, in the names of the following transferees:

S.No.	Name of Transferor	Name of Transferee	No. of Share	Distinctive Nos.
1	2	3	4	5
1.	Shri Alok, Ex- Principal Secretary Revenue	Shri Khemraj Chaudhary, Addl. Chief Secretary Revenue, GoR	1	40001
2.	Ms. Mugdha Sinha, Ex-MD RIICO	Shri Devendra Bhushan Gupta, Addl. Chief Secretary Finance	1	200001

The Board also authorized Secretary of the Corporation to endorse the share certificates in the name of above transferees.

Item 12: Ex-post-facto approval for Re-Constitution of CSR Committee of the Board.

The Board discussed the agenda and accorded ex-post-facto approval for nomination of Commissioner Industries, GoR, as member of CSR Committee, in place of Principle Secretary MSME, GoR, with effect from 4th January 2018.

Item13: Approval for increase in Audit Fee of Statutory Auditors.

The Board discussed the agenda and recommended to the shareholders for increase in Audit Fee of Statutory Auditors, from Rs. 4,50,000/- to 5,00,000/- for the FY 2016-17 and onwards.

Item14: Appointment of Tax Auditors u/s. 44 AB of the Income Tax Act for FY 2017-18.

The Board discussed the agenda and accorded approval for:

- i. Appointment of M/s Jain Shah & Company, Chartered Accountants Jaipur, as Tax Auditors for Financial Year 2017-18, at a fee of Rs. 90,000/- plus GST for tax audit; and
- ii. Payment of fee of Rs. 5000/- plus GST for every audit report/certificate required to be obtained for Income Tax Exemption under section 80 IA of the Income Tax Act, 1961 in respect of notified industrial areas and fee of Rs. 1,000/- plus GST per certificate/report for online uploading of Tax Audit Report and 80 IA certificates for the profit making industrial areas.

Item15: Request of the Authorizee for time extension for completion of Minimum Development Obligations (MDOs) pursuant to Material Adverse Effect in the case of Exhibition cum Convention Centre, Sitapura, Jaipur.

The Board discussed and examined the same in detail. Based on the recommendations of the Group, headed by Financial Advisor, re-verification of the facts by the Management, and, in view of the Certificate of the Independent Engineer dated 7th March 2018, as provided for in Article 5.5 (b) of the Authorization Agreement, the Board accorded approval for extension of the Scheduled Project

Completion Date, as provided for in Article 6.1.1 (b)(v), up to January 15th, 2015, on the ground of Material Adverse Effect for the reasons stated in the minutes of the meeting held under the chairmanship of Financial Advisor RIICO on June 9th, 2015.

Item16: Partial amendment in the existing provision related to ceiling of non-industrial use in an industrial area under Rule 20-C of RIICO Disposal of Land Rules 1979.

The Board discussed the agenda. Since there is considerable variation in the percentage of non-industrial use in the saturated industrial areas, from less than 1% to 15% and above, the Board was not in favour of raising the limit for all industrial areas in general. Instead, the Board authorized the CMD to raise the ceiling up to 20% for such saturated industrial areas (except those notified under the Industrial Park Scheme 2002) in which non-industrial use has crossed 13% of the total scheme area, on a case-to-case basis, based on the location, proximity to urban areas, and the industrial and non-industrial activities within and around the industrial area concerned.

Item17: Approval of Special Scheme for Preferential Allotment to Micro Enterprises in Most Backward and Backward districts of the State.

The Board was informed that IDC in its meeting held earlier on the same day, had recommended the scheme for approval. The Board discussed the agenda and accorded approval to the Special Scheme for Preferential Allotment to Micro Enterprises in Most Backward and Backward districts of the State, as per Annexure-'C' and 'D' to the agenda note.

This special scheme shall be applicable for FY 2018-19. As some of the provisions of this scheme are not in conformity with the budget speech announcement the same be referred to the State Government for directions. The Committee also authorized Managing Director to make appropriate changes in the scheme, if required, in accordance with government directions.

Item18: Budget Estimates for FY 2018-19 and Revised Budget Estimates for FY 2017-18.

The Board discussed the agenda and accorded approval to the Revised Budget Estimates for the year 2017-18 and Budget Estimates for the year 2018-19. For better presentation the Board suggested that quantitative details of major parameters and its financials, besides RoI be given in the budget statements, in future.

Item19: Appointment of Internal Auditor for Financial Year 2017-18.

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

- A. Appointment of Internal Auditors for the FY 2017-18 as per Annexure 'A' to the agenda note.
- B. Procedure to be followed for selection/appointment of Internal Auditors for the next years, i.e. 2018-19 and onwards:
 - i. A notice be published on RIICO website for submission of application by interested CA firms for empanelment as per the pre-qualifications approved by BOD. After receipt of such applications all the eligible CA firms be selected for empanelment by the constituted committee and work of Internal Audit be awarded on the basis of merits on remuneration fixed by BoD.
 - ii. Present remuneration of Rs. 30000/- (inclusive of all) per annum (two half yearly audits) per unit/section for the work of Internal Audit be revised to Rs. 30000/ plus applicable GST per annum (two half yearly audits) per unit/cell/section.

Item20: Financial Statements for Nine Months ending on 31st December 2017.

The Board noted that the Audit Committee has reviewed nine months financial statement in its meeting held on 27th March 2018. After discussions, the Board took on record un-audited financial statement for the nine months ended on 31st December 2017.

The Committee noted that following agenda item was placed on the table with the permission of the Chair, therefore, the Directors present in the meeting unanimously agreed to waive the minimum notice period, took up the item for consideration and approved unanimously:

Item21: Policy decision with respect to land of left out khasras during acquisition proceedings of Private land/Government Land and also with respect to purchase of private agriculture land through negotiation instead of following acquisition proceedings.

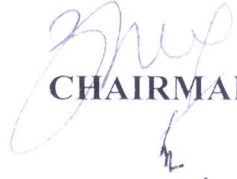
The Board discussed the agenda and accorded approval for purchasing land through negotiations with Khatedars/farmers either in cash components or by way of allotting 25% developed land in lieu of consideration of land, in respect to land of left out khasras during acquisition proceedings of Private land/Government Land and also

with respect to purchase of private agriculture land through negotiation instead of following acquisition proceedings.

The Board also accorded approval for the following :

- (i) Requesting Administrative Reforms Department through Administrative Department for issuance of cited Order dated 17.01.1991 with slight amendments in constitution of the Committee as Executive Director is not posted in RIICO since long time, therefore, Advisor (Infra) be nominated in place of Executive Director. Further amendment in said order is also required for incorporating the provision of allotting 25% developed land in accordance with the prevailing policy of the State Government/RIICO as in present order, only cash consideration is mentioned whereas in most cases, khatedars are willing to opt 25% developed land option instead of receiving consideration in cash form.
- (ii) Requesting Finance Department to exempt stamp duty whatever applicable on instruments related to purchase of land or exchange of land (in case of 25% developed land) on mutual agreements with khatedars concerned and issuing Notification for remitting the stamp duty.
- (iii) Requesting Revenue Department and Finance Department to waive conversion charges applicable on change of land use from agriculture/permitted use to industrial purpose as land will be used by RIICO which is an undertaking of the State Government.
- (iv) The Committee so constituted by the Administrative Reforms Department is authorized to finalize rate of consideration be paid to the khatedars/farmers in both the cases i.e. purchase of left out khasras or big chunks of private identified land for setting up industrial areas.

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


CHAIRMAN

Date: 06.04.2018
Place: Jaipur.