

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

Minutes of	: 3/2015 - Board Meeting
Venue	: Udyog Bhawan, Jaipur.
Date	: 30th December 2015
Commencement/Completion time of meeting	: 5.00 P.M. / 7.15 P.M.

Present :

Shri C. S. Rajan	Chairman
Shri Rajeeva Swarup	Principal Secretary SSI & Khadi
Shri Deepak Upreti	Principal Secretary Mines & Petroleum
Smt. Veenu Gupta	Managing Director
Shri Abhay Kumar,	Commissioner Industries.
Shri Alok	Secretary Revenue
Shri Maneesh Chauhan	MD RFC
Shri Raman Kumar Sharma	Independent Director
Shri Anil Bafna	Independent Director

All the above directors were present throughout the meeting.

Shri D.K. Sharma, Secretary was in attendance. Shri Sanjay Solanki, Financial Advisor/CFO, Shri Lalit Kumar, Advisor (Infra.); Shri Gaurav Bajad, Advisor (A&M); Shri Anil Sharma, CGM (BP); Shri M.K. Nathuramka, CGM(Inv.); Shri P.K. Khaitan, GM (Inv.); Shri R.K. Limba, AGM(F&A) and Shri Satyendra Bansal, AGM (Tech.) were also present.

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

Reschedulement of Meeting: The meeting was originally scheduled for 30th December 2015 at 4.00 p.m., however, due to unavoidable reasons the same was postponed to 5.00 p.m. on the same day. All the directors were telephonically informed in advance. The directors present in the meeting unanimously consented for the re-schedulement.

WELCOME OF DIRECTORS

At the outset, the Board welcomed Shri Deepak Upreti and Shri Alok who were attending the meeting of the Board of Directors for the first time after their appointment and expressed hope that the Board would be benefitted with their vast experience and guidance.

Item 1: Confirmation of minutes of the last meeting of the Board held on 15th October 2015.

The minutes of the meeting of Board held on 15th October 2015 were confirmed.

Item 2: Action Taken Report on the decisions of the previous meeting of the Board held on 15th October 2015.

The Board noted the position brought out in the agenda note. The Board directed that a live demo of 9 units of which in-house roll-out is completed be given in the next meeting.

Item 3: Minutes of the meeting of the Infrastructure Development Committee of the Board held on 30th October 2015.

The Board noted the position.

Item 4: Minutes of the meeting of the Industrial Committee of the Board held on 30th October 2015.

The Board noted the position.

Item 5: To note the appointment of Shri Deepak Upreti, Principal Secretary Mines & Petroleum, GoR, as Director.

The Board noted the appointment of Shri Deepak Upreti, Principal Secretary Mines & Petroleum, GoR, as director on the Board of the Corporation, in place of Dr. Ashok Singhvi, with effect from 29th October 2015, made by the State Government Industries (Gr.I) Department vide order dated 29th October 2015.

Item 6: Disclosure of interest by the directors.

The Board noted the interest disclosure made by the following Directors in their respective notices pursuant to Section 184(1) of the Companies Act, 2013 read with the relevant rule 9(1), which were read over in the meeting:

1. Shri Deepak Upreti Notice dated 4th December 2015.
2. Shri Alok Notice dated 27th October 2015.

Item 7: New Schemes for Financial Assistance.

The Board discussed the agenda and approved the schemes for Financing Service Sector and scheme for Corporate Loan, to meet the various financial needs of industrial units and service sector, as per the detailed schemes placed at Annexure 'A' & 'B' to the agenda note.

The Board further directed that a paper be put up in its next meeting explaining how far newly launched schemes have attained the objectives for which they were introduced.

Item 8: Proposal for sanction of term loan of Rs.4500.00 lacs by swapping of term loan and overdraft limit extended by IDBI Bank to Ksheer Sagar Developers Pvt. Ltd., Jaipur (Royal Orchid Hotel, Tonk Road, Durgapura, Jaipur) under scheme for Financing Service Sector.

The Board discussed the agenda and accorded approval for swapping of term loan of Rs.4000.00 lac and overdraft limit of Rs.500.00 lac extended by IDBI Bank to Ksheer Sagar Developers Pvt. Ltd., Jaipur, for setting up of Royal Orchid Hotel, Tonk Road, Durgapura, Jaipur, under scheme for Financing Service Sector.

The Board adopted the following Resolution:

RESOLUTION:

“**RESOLVED** that approval be and is hereby accorded for swapping of term loan of Rs.4000.00 lac and overdraft limit of Rs.500.00 lac extended by IDBI Bank to Ksheer Sagar Developers Pvt. Ltd. for setting up of Royal Orchid Hotel, Tonk Road, Durgapura, Jaipur under scheme for Financing Service Sector, on usual terms and conditions of term lending of the Corporation along with 17 special terms and conditions as given in Appendix ‘A’ of the agenda note.”

Item 9: Proposal for sanction of term loan of Rs.5500.00 lac under RR-TUF Scheme to SVP Global Ventures Ltd. for setting up an Open End (Rotor) cotton yarn manufacturing unit at SP2-1, RIICO Ind. Area, Dhanodi, District Jhalawar, Rajasthan.

The Board discussed the agenda and accorded approval for sanction of term loan of Rs.5500.00 lac (Rupees fifty five crores) under RR-TUF Scheme to SVP Global Ventures Ltd. for setting up a project to manufacture of an open end (Rotor) cotton yarn at SP2-1, RIICO Industrial Area, Dhanodi, District Jhalawar, Rajasthan.

The Board adopted the following Resolution:

RESOLUTION:

“**RESOLVED** that approval be and is hereby accorded for sanction of term loan of Rs.5500.00 lac (Rupees fifty five crores) under RR-TUF Scheme to SVP Global Ventures Ltd. for setting up a project to manufacture open end (rotor) cotton yarn by setting up a 2400 rotors OE-Spinning unit with an installed capacity of 11100 MT per annum, at SP2-1, RIICO Industrial Area,

Dhanodi, District Jhalawar, Rajasthan, on usual terms and conditions of term lending of the Corporation along with 14 special terms and conditions as given in Appendix 'A' of the agenda note.”

Item 10: Proposal for modification in Terms and Conditions of Sale of Assets by RIICO u/s 29 of SFC Act.

The Board discussed the agenda in detail. The Board was informed that the Hon'ble Supreme Court in the matter of Rana Griders Limited has upheld that the dues of central excise are not related to plant & machinery or the land and the building. There are some taken over units wherein substantial amount of central excise dues are outstanding and as such those units could not be sold out by the Corporation as the potential buyer amply discounts the net assets value to the extent of likely final excise dues and, therefore, significant amount of term loan dues are lying blocked since a long time. In view of above, the Board was of the view that there seems to be no ground for insisting from the potential buyer of a sick unit to undertake to pay old central excise dues.

Given the background, and subject to a favorable legal opinion from a renowned counsel, the Board decided that an attempt be made for disposal of assets of such units without insisting for existing condition No. 11 of standard terms and conditions of Sale of Assets by RIICO u/s 29 of SFC Act. This practice be adopted in the cases where excise/custom dues are more than 20% of market realizable value of assets depending upon circumstances of the cases. However, such cases will be individually processed for approval of the Managing Director.

The Board further authorized the Managing Director of the Corporation to consider suitable changes in standard Terms and Condition, in case the same is required depending upon facts of the case.

Item 11: Financial Statements for Half Year ending on 30th September 2015.

The Board noted that Audit Committee has reviewed half yearly un-audited financial statement in its meeting held on 30th December 2015. After discussions, the Board took on record un-audited financial statement for the six months ended on 30th September 2015.

Item 12: Approval of Cost Audit Report.

The Board discussed the agenda and approved the cost audit report for financial year 2014-15 as submitted by M/s. K.G. Goyal and Company, Cost Auditor, and authorized the Managing Director and Company Secretary to sign and file the report with the competent authority, on behalf of the Company.

Item 13: Status note on Divestment of RIICO equity.

The Board discussed the agenda in detail and directed that a consultant, preferably a public sector merchant banking company, be appointed to advise the Corporation on desirability of bringing-in strategic partner vis-à-vis issuance of an IPO and suggesting alternative strategies, if any, for divestment of part equity share capital of the company held by the state government.

Item 14: Status note on Liquidity Position.

The Board discussed the agenda and noted the position brought out in the agenda note.

Item 15: Procurement of Desktops, Printers & UPS through open tender for facilitating smooth implementation of the projects 'IT Enablement of RIICO' and 'GIS mapping of RIICO industrial areas.'

The agenda item was withdrawn.

Item 16: Implementation of the Rajasthan Startup Policy-2015 - Creation of an SPV and matters incidental thereto.

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

- i) Setting up of a society under the 'Rajasthan Societies Registration Act, 1958' for implementation of the Rajasthan Startup Policy – 2015 and matters incidental thereto.
- ii) Authorizing the Managing Director of the Corporation for:
 - a) Approving the draft of Memorandum and Articles of Association and matters incidental thereto.
 - b) Approving names of the initial members and subscribers of the society.
 - c) Approving names of the first office bearers i.e. Chairperson, Secretary and treasurer and other members of the Governing Board of the Society.
 - d) Sanction of registration and other fee payable for registration of the Society and for other expenses incidental thereto.

Item 17: Ex-post-facto approval of excess charges for boarding of Shri Anil Kumar Sharma during visit of Singapore.

The Board discussed the agenda and accorded ex-post-facto approval for excess amount of Rs.35,994/- incurred on accommodation and telephone bill of Shri Anil Kumar Sharma during visit of Singapore from 12-16 October 2014 as part of CM's delegation, subject to approval of the Finance Department, Government of Rajasthan.

Item 18: Ex-post-facto approval for the nomination of Manager (Bills) as one of the members of ED Committee in place of Sr. DGM (Bills).

The Board discussed the agenda and accorded ex-post-facto approval for the nomination of Manager (Bills) as one of the members of ED Committee, in place of Sr. DGM (Bills). The Board also ratified the Office Order dated 09.11.2015 issued in this regard.

Item 19: Ex-post-facto approval for allotment of additional land measuring 8.316 Hectare to Shri Vallabah Pittie Industries Ltd. for setting up of Textile Project at industrial area Dhanodi, Distt. Jhalawar.

The Board discussed the agenda and noted the decisions taken earlier in the matter based on resolutions passed by Board/IDC as well decision taken by the Cabinet. It was also brought to the notice of the Board that A.G. Audit has pointed out that additional land measuring 8.316 hectare allotted on subsidized rate was not prudent, especially when this allotment was not a part of Customized Package approved by the State Government.

Looking to the spirit of the Customized Package sanctioned by the State Government and furtherance to request made by the applicant company subsequently, the Board has decided to partially review earlier decisions with regard to allotment of additional land measuring 8.316 hectare taken by the IDC vide item no. 6 in its meeting held on 30.10.2015 and decided as under:

- (i) Instead of allotment of additional land measuring 8.316 hectare @ Rs.380/- per sqm., allotment of aforesaid land be made on cost worked out for actual saleable area falling under this chunk of land i.e., 8.316 hectare (Plot No. SP-5) as per earlier approved revised lay-out plan of the area, by levying the rate of allotment as per the original administrative sanction of industrial area, Dhanodi. Accordingly, demand note of additional amount be issued.
- (ii) Allowing the applicant company to deposit remaining cost of land, i.e. Rs. 4.50 crore, in 7 quarterly instalments along with 12% interest per annum. However, interest shall be calculated presuming that the said

amount was due as principal amount and calculation be made as per Rules. Besides, allotment letter can be issued after depositing 25% amount towards cost of aforesaid additional land plus 1% security amount.

- (iii) Applicant Company has itself withdrawn its application for allotment of additional land, i.e. Plot No. SP-5, in favour of SVP Global Ventures Ltd. in place of ShriVallabh Pittie Industries Limited. Hence, no decision is required.
- (iv) Confirmation of rest of the decisions taken by IDC in its meeting held on 30.10.2015.

Item 20: Certificate of Legal Compliance for quarter ending on 30th June 2015.

The Board discussed the agenda and taken on record the Certificate of Legal Compliance, for the quarter ending on 30th June 2015.

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

CHAIRMAN