

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

Minutes of : 3/2019 - Board Meeting
Venue : Udyog Bhawan, Jaipur
Day & Date : Wednesday, 24th July 2019
**Commencement/Completion
time of meeting** : 3.00 P.M. / 3.30 P.M.

Present :

Shri Kuldeep Ranka	Chairman RIICO
Dr. Subodh Agarwal	ACS, Industries
Shri Alok	Principal Secretary MSME
Shri K.K. Pathak	Commissioner Industries
Shri Gaurav Goyal	Managing Director, RIICO
Smt. Urmila Rajoria	Managing Director, RFC

Shri D.K. Sharma, CGM (Inv) & Secretary was in attendance. Shri Ashok Pathak, Financial Advisor; Shri Lokesh Vijay, GM (BP); Shri Giriwar Sharma, GM (Inv) and Shri Satyendra Bansal, AGM (Inv.) 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 Sudershan Sethi, Shri Niranjana Kumar Arya and Shri Sanjay Malhotra who had intimated their inability to attend 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 and approved unanimously.

Item 1: To note the minutes of last meeting of the Board held on 27th June 2019.

The minutes of the meeting of Board held on 27th June 2019 were noted.

Item 2: Request of Rajasthan Venture Capital Fund (RVCF) for Modification in the conditions of sanction of Rs. 45 crore by RIICO in RVCF India Growth Fund (RVCF-III).

The Board noted the position brought out in the agenda note. The Board was informed that the Corporation is supporting RVCF since 2002-03 when the first fund with a corpus of Rs. 16 cr. was launched wherein RIICO & SIDBI participated as anchor contributors equally. In the RVCF-II, which was launched in the year 2008-09, with a corpus size of Rs. 150 cr., the Corporation also contributed Rs. 20 cr. As regards the performances of these two funds, the Board was further informed that exit from the RVCF-I fund could be fully done in the previous financial year with distribution of Rs. 9.30 cr., which generated net IRR of 2.68 % to the Corporation. Similarly, for RVCF-II, out of total 15 nos. of investments, exit from eight investments could be done with distribution of Rs. 5.25 cr. to RIICO, thus, this investment has given net IRR of 0.74% to the Corporation, so far.

It was further informed that the Board in its meeting held on August 29, 2016 inter-alia accorded approval to contribute Rs. 45 cr. subject to 15% of the target corpus of Rs. 300 cr. of RVCF-III - India Growth Fund. This fund could not take-off on scheduled date due to prevailing conditions in financial market coupled with loss of faith by the Investor Community at large and commercial banks in particular. The fund manager has made four nos. of investments from this fund involving financial commitments of Rs. 10.24 cr..

After discussions, the Board invited the Chief Executive Officer of RAMC, the Fund Advisor to all the three RVCF funds, to give a presentation on the performances of the funds and their proposal of way forward as regard to RVCF-III. He highlighted about the cascading impact RVCF funds have created in promoting First Generation Entrepreneurs, promoting Companies and Women Entrepreneurs from the State and contribution to the government exchequer apart from job creation etc. He further informed that DFID (UK Government program) has agreed to contribute Rs. 45 cr. (and has released Rs. 13 cr.) subject to ceiling of 15% of the corpus, however, it has also agreed in-principle to contribute absolute amount of Rs. 45 cr. provided that RIICO also gives similar absolute commitment of Rs. 45 cr. to the RVCF-III fund. It was also pointed out that Department of Biotechnology GoI has approved Rs. 5 cr. in July 2019 whereas SIDBI is being pursued for stepping up its commitment from Rs. 18 cr. and other prospective investors like LIC, Government of MP, DoIT, STPI etc. may also be pursued. It was also informed that stabilization of RVCF-III is critical for RAMC functioning as it will generate management fee @ 2% p.a. RAMC is also responsible for RVCF-II fund's orderly redemption of balance invested fund at face value of Rs. 100 cr. (approx.)

In view of the above, and also the fact that DFID (UK Government) has in-principle agreed to contribute absolute amount of Rs. 45 cr. provided

that RIICO also contribute on the similar terms, the Board accorded in-principle approval in respect to RVCF-III as follows:

1. To contribute absolute amount of Rs. 45 cr. in RVCF-III subject to the condition that DFID also contributes absolute amount of Rs. 45 cr. in the proposed fund corpus of minimum size of Rs. 121 cr. In case DFID is not agreeable to contribute absolute amount of Rs. 45 cr., the matter be placed again before the Board for decision in the matter.
2. The contribution from the Corporation to be drawn over a period of three years from the final closing on matching basis.
3. Revised fund closure date- December 31, 2019.
4. Revised commitment period- December 31, 2020.

As DFID is reportedly insisting for communication from RAMC as regards to decision of RIICO to contribute in RVCF-III and issuance of minutes may take some time due to legal requirement, the Board also decided that RAMC may be informed about the decision pending issuance of minutes.

Item 3: Appointment of Cost Auditor.

The Board discussed the agenda and adopted following Resolution:

RESOLUTION:

“RESOLVED that approval be and is hereby accorded for appointment of M/s. A. Goyal & Company, Cost Accountant, Jaipur, as Cost Auditor of the Corporation for financial year 2019-20 at consolidated fee of Rs.30,000/- per annum, plus GST.”

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

CHAIRMAN