

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

Minutes of : 6/2017 – Infrastructure Development Committee
Venue : Udyog Bhawan, Jaipur
Date : 24th November 2017
Commencement/Completion time of meeting : 3.00 P.M. / 6.00 P.M.

Present :

Shri Rajeeva Swarup	Chairman
Shri Kunji Lal Meena	Commissioner Industries
Ms. Mugdha Sinha	Managing Director
Dr. Tina Soni	Commissioner (Inv. & NRI)
Shri Anoop Khinchi	MD, RFC

All the above directors were present throughout the meeting.

Shri D.K.Sharma, Secretary was in attendance. Ms. Anupama Sharma, Financial Advisor; Shri Vijay Pal Singh, Advisor (Infra.); Shri Rajan Kapoor, GM (Civil); Shri R.K. Limba, GM (Finance) and Shri D.K. Sharma, Sr. DGM (P&D) were also present.

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

The Secretary informed that due to some unavoidable reasons the notice to call the meeting as well as circulation of the agenda notes was made at less than seven days time. The members were requested to condone the delay for issuance of notice and circulation of agenda notes at shorter notice.

The Members present took a serious objection to the very short notice at which the meeting was convened, i.e. on Nov. 22nd, for the meeting on Nov. 24th. At least 7 days prior notice is required as per the provisions of the Companies Act read with Secretarial Standards, as also the past practice of IDC, unless special reasons exist for convening the meeting at shorter notice, with prior permission of the Chairman. The same issue had also arisen in the last meeting of the Board of Directors and the Board had given strict directions to ensure compliance for future.

As per the facts placed before the Committee, when 5 agenda items were got approved up to the level of the Chairman for placing before the next IDC meeting, at the request of the MD, the Chairman had given the date of the meeting as November 24th, 2017 on 16th November, i.e. 8 days before. However,





the MD kept the note with her. On Nov. 20th, she sent a separate note to the Secretary for issuing the meeting notice, but without indicating the time (which had been given in the approved note by the Chairman). Clearly the reason for delay was at the level of the MD.

The explanation by the MD that since the agenda items had been approved while she was on leave, after her return on 16th November, she took time to study them, found certain objections, and approved only one item of those, which resulted in delay was neither appreciated nor accepted by the Committee. Individuals are distinct from the post. The agenda items had the approval of the MD of the day. Individual views of the present MD, if any, could have been communicated in the meeting.

The situation of repeated delays in sending agenda items timely reflects scant regard of the MD for the provisions under the Companies Act read with Secretarial Standards, established past practice within RIICO as well as the directions of the Board. Accordingly, the Committee decided to refer the matter to the Board.

It was further directed by the Committee that the spirit behind timely intimation as regards to the scheduling of meeting as well as timely circulation of agenda note be strictly adhered to in future, unless there are specific reasons of urgency.

With the above note, all the members present in the meeting unanimously agreed to waive the minimum notice period requirement for convening the meeting, as well as circulation of agenda notes and take up these items for consideration and approved unanimously.

Item 1: To note the minutes of the last meeting of the Committee held on 13th October 2017.

The Committee noted the minutes of the last meeting of the IDC held on 13th October 2017.

Item 2: Action Taken Report on the decisions of the previous meetings of the Committee held on 29th August 2017 and 13th October 2017.

The Committee discussed the agenda and made following observations:

- 1. Appointment of Consultant for development of Infrastructure at Industrial Area Salarpur, Bhiwadi:** The Committee found the ATR submitted as most unsatisfactory. No description was given of action taken. On query it was informed that the tender was cancelled on account of exceeded time for taking decision vis-à-vis timeline prescribed

in RTPP Act. Re-tender has been done. Progress be reported at next meeting.

2. **Recommendations about encroached land:** A regular agenda item be placed on the subject in subsequent meetings of IDC. Some districts may be identified for effective action. MD may speak to Collectors personally. Progress be reported after 2 months.
3. **Policy for allotment of un-developed land:**The Committee observed that in spite of a specific directive of the IDC in its meeting held on 19.7.2017, to finalize the policy within next three months, and subsequent directive dated 29.8.17 of the Committee to finalize the policy within 15 days and place the same before the Board in its next meeting, desirable action has not been taken by the Management. It is evident that the management neither takes the directions of the IDC seriously nor is devoting attention to important policy matters. The Committee directed that the policy be placed before the Board in its next meeting positively.
4. **Review of existing policy for allotment of industrial plots pertaining to "First Come First Serve Basis":**The Committee took extremely serious cognizance of the fact that false reporting has been done by reporting that the agenda is under consideration. An agenda item on the subject, as per the direction of the IDC in its meeting held on 29-8-17, had been prepared and approved up to the level of the Chairman, for placing it before the IDC. It was further informed to the Committee that the original note submitted for approval of the MD did state that an agenda item for the same is being tabled separately. However, at the directions of the MD it was changed to "under consideration" whereas the approval of the MD and the Chairman had not been withdrawn. The Committee noted it to be a deliberate attempt to mislead the IDC and decided to report this serious breach to the Board for appropriate action.
5. **Making provisions for the appeal as provided under Rule 24 (2) (b) to the next higher authority (Ref. Sr. No. 6):**The Committee took extremely serious cognizance of the fact that false reporting has been done by reporting that the agenda is under consideration. An agenda item on the subject, as per the direction of the IDC in its meeting held on 29-8-17, had been prepared and approved up to the level of the Chairman, for placing it before the IDC. It was further informed to the Committee that the original note submitted for approval of the MD did state that an agenda item for the same is being tabled separately. However, at the directions of the MD it was changed to "under consideration" whereas the approval of the MD and the Chairman had not been withdrawn. The Committee noted it to be a deliberate attempt to mislead the IDC and decided to report this serious breach to the Board for appropriate action.

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Item 3: Ex-post-facto approval of the decision taken by the management to extend the time limit for construction of Rain Water Harvesting Structure (RWHS) without levy of any penalty up to 31.03.2018.

The Committee discussed the agenda and accorded ex-post-facto approval to extend the time limit up to 31.03.2018 for construction of RWHS without levy of any penalty for all the plot allottees who have utilized plot either before 30.09.2011 or after 30.09.2011 and having area of 500 sqm. or more. The Committee further decided that the cases wherein retention charges/lump-sum penalty has already been deposited on account of delay in construction of RWHS will not be re-opened. The Committee also accorded approval to office order issued on 26.10.2017 in this regard.

Item 4: Approval of Administrative Sanction for development of new Industrial Area, Stone Park, Masalpur, Distt. Karauli (Unit Sawai-Madhampur).

The Committee discussed the agenda and, keeping in view the suggestions of the in-house committee, accorded approval to administrative sanction for development of new industrial area, Stone Park, Masalpur, Distt. Karauli (Unit Sawai-Madhampur) in phases, at an estimated cost of Rs. 5410.63 lac, as per cost sheet placed at Annexure-A to the agenda note.

The Committee directed that in the first phase about 50 acres of land be taken-up for development and depending upon the demand/sale of developed land, second phase of development be taken-up thereafter.

Item 5: Special maintenance sanction for Up-gradation of Infrastructure at Matsya Industrial Area, Alwar.

The Committee discussed the agenda and accorded approval for undertaking the infrastructure improvement works under special maintenance head amounting to Rs. 709.03 lac, with the permission for re-appropriation of budget of Rs. 710 lac from the head of Additional AS to special maintenance head, during FY 2017-18 at Matsya Industrial Area, Alwar.

Any other matter with the permission of the Chair:

Issue regarding non-circulation of agenda notes of IDC to the members:



The Committee was informed that following three agenda notes, duly approved by the Managing Director as well as the Chairman, were received by Secretary from Advisor (Infra.) on 15.11.2017, for placing in the next IDC meeting. However, the MD did not allow placing them before the IDC overriding the Chairman's decision, without any referral for re-consideration. As per the practice, a list of eight agenda notes to be placed before the IDC scheduled for 24.11.2017, including these three agenda notes, was submitted on file by the Secretary for approval of the MD for its circulation. However, the MD directed to place only first five agenda notes (excluding these three agenda notes) and accordingly under mentioned agenda notes were not circulated:

1. Policy decision to insert new provisions in RIICO Disposal of Land Rules, 1979 regarding transfer fee, compliance of minimum built up area, requirement and utilization of the allotted institutional plots at the time of permission for transfer of the plots to Private University established by virtue of Act of Private University passed by Legislative Assembly. *This was to be put up as an agenda item at the next meeting of the IDC, as per written directions to MD dated 12th September 2017 of the Chairman on the file concerned. It was in line with the RIICO Vision 2017-18 approved by the Board.*
2. Partial amendment in the provisions of Rule 24(2)(b) related to Appeal against the cancellation order under the RIICO Disposal of Land Rules, 1979. *This was to be put up as agenda item in the next meeting of the IDC as per decision of the IDC in its meeting held on 29th August, 2017.*
3. Review of the existing policy for allotment of industrial plots pertaining to "First Come First Serve" basis linking it to investment & project criteria in unsaturated industrial areas. *This was to be put up as agenda item in the next meeting of the IDC as per decision of the IDC in its meeting held on 29th August, 2017.*

The Committee was further informed that below mentioned another agenda item was also to be placed before this meeting of the IDC, as per written directions to MD dated 12th September 2017 by the Chairman on the file concerned, but was withheld by the MD:

4. Regularization of rented industrial shed in transferred industrial area in favour of tenant on outright sale basis (case of M/s. Dawson India Corporation Ltd., allottee of shed No.B-9 Industrial Area, Rani Bazar Bikaner). Policy decision taken earlier by IDC in its meeting dated 15-4-2008 with directions that all subsequent cases



(other than 7 cases similarly regularized) be put up before IDC on case to case basis.

After detailed deliberations, the Committee was of the view that once the agenda items had been got approved and permission obtained from the Chairman, the MD had absolutely no authority to supersede the decision of the Chairman and to decide at own level of not placing them before the Committee, without seeking prior permission from the Chairman.

Secondly, these agenda items had been prepared by the RIICO team, in consultation with legal cell etc. during the 40 days leave period of the present MD and 3 were such that directions had been issued at the time of the present MD while the 4th was as per, and in line with, the earlier decision of the IDC. Work in RIICO cannot stop if the MD is on leave for 40 days. Individual views of the present MD on each of these agenda items could well have been placed before the IDC for consideration during the discussions, just like other members would have done with similar period of notice. Hence, the Committee was of the view that the MD exceeded her authority in withholding the 4 agenda items.

Additionally, the Committee was informed by the Chairman that on receiving the agenda items, he directed the MD for compliance in writing to place the withheld agenda items before the IDC. However, neither the MD referred the matter back to the Chairman citing reasons for not doing so, nor complied with the written directions. This was treated most adversely by the IDC as open defiance. Accordingly, the Committee decided to refer the matter to the Board for consideration and appropriate action.


Since the agenda items were ready, the Committee asked the MD to table the same with the permission of the Chair. The MD stated that if the matters are placed, she would abstain from the discussions.

In view of the recalcitrant attitude of the MD, the Committee directed the Secretary to circulate these 4 agenda items for the consideration of the Board in its meeting to be held on Nov. 29th, 2017. The Committee also directed that since the formal issuance of minutes of this IDC may take time, Secretary may take written approval of the same directly from the Chairman on the same day.

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

Place: Jaipur

Date: 6.12.2017


CHAIRMAN