

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

Minutes of : 2/2020 - Board Meeting
Venue : Udyog Bhawan, Jaipur
Day & Date : Thursday, the 25th June 2020
**Commencement/Completion
time of meeting** : 4.30 P.M./ 6.00 P.M.

Present :

Shri Kuldeep Ranka	Chairman RIICO
Dr. Subodh Agarwal	ACS, Industries
Shri Sandeep Verma	Principal Secretary Revenue
Shri Kunji Lal Meena	Principal Secretary Mines
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; and Shri Pukhraj Sen, Advisor (Infra.) 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 granted leave of absence to Shri Niranjana Arya, Additional Chief Secretary Finance, GoR.

As Notice and Agenda notes were circulated at a period of less than seven days, therefore, the members present in the meeting unanimously agreed to waive the minimum notice period & date of meeting, and took up all the items for consideration.

Item 1: To note the minutes of the last meeting of the Board held on 18th March 2020.

The minutes of the meeting of the Board held on 18th March 2020 were noted.

Item 2: Action Taken Report on the decisions of the previous meeting of the Board held on 18th March 2020.

The Board noted the position brought out in the agenda note and while discussing the progress, made following observations:

1. Item 2 (1) – **regarding Policy for left out Khasra:** The Board directed that the matter related to purchase of land through negotiation as provided under section 46 of the Act of 2013 be pursued with Revenue Department. The matter related to proposed state amendments in Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 be pursued with Industries Department.
2. Item 2(2) – **Policy for allotment of undeveloped land:** The Board was informed that the draft policy has been informally discussed in the IDC meeting held on 24.06.20, however, decision could not be made.

Creation of posts for CDOS: The Board was informed that instead of creation of four new posts in the Corporation, the vacancy in CDOS may be filled, on deputation, from the existing manpower of RIICO. For those posts for which equivalent manpower is not available in RIICO, same may be outsourced on temporary basis.

3. Item 2 (Meeting dt. 18.03.20) – regarding recommendation of Sub-Committee for improvement of Investment Activity: The Board adopted the recommendations and directed for its implementation.
4. Item 16 – regarding Installation of Solar Power Plant at Rajasthan Vidhan Sabha: The matter has been discussed with Secretary, Rajasthan Vidhan Sabha and further course of action will be intimated to the Board in the next meeting.
5. A presentation on the activities of the Corporation was given by the Managing Director, the Board made following observations:
 - a. A statement be placed before the Board giving details that in how many allotted plots production has commenced, out of plots allotted during last eight years.
 - b. Investment Activity be given more focus as it may work as risk hedging of land activity.
 - c. To revisit the shortage of manpower at the senior level and to retain professionally qualified Officers having rich experience.
 - d. To rationalize Recruitment & Promotion Policy.
 - e. To explore possibility for development of Gem Bourse at Sitapura, Jaipur and Plug & Play facility at RSIC land in I/A, Bais Godam, Jaipur.

Item 3: Minutes of the 1/2020 meeting of the Corporate Social Responsibility Committee of the Board held on 11th March 2020.

The Board noted the minutes of 1/2020 meeting of the Corporate Social Responsibility Committee of the Board held on 11th March 2020.

Item 4: Certificate of Legal Compliance for quarter ended on 31st March 2020.

The Board took on record the Certificate of Legal Compliance, for the quarter ended on 31st March 2020.

Item 5: Disclosure of interest by the Directors.

The Board was informed that after circulation of the agenda items, the notices from Dr. Subodh Agarwal and Shri Muktanand Agrawal have been received.

The Board noted the interest disclosure made by the following directors, disclosing their interest in other Companies/Bodies Corporate/Firms/Societies, pursuant to Section 184(1) of the Companies Act 2013 read with the relevant rule 9(1):

- | | |
|--------------------------------|--|
| 1. Shri Kuldeep Ranka | Notice dated 11 th May 2020. |
| 2. Dr. Subodh Agarwal | Notice dated 19 th June 2020. |
| 3. Shri Niranjana Kumar Arya | Notice dated 2 nd June 2020. |
| 4. Shri Sandeep Verma | Notice dated 8 th June 2020. |
| 5. Shri Kunji Lal Meena | Notice dated 6 th May 2020. |
| 6. Shri Ashutosh A.T. Pednekar | Notice dated 11 th May 2020. |
| 7. Smt. Urmila Rajoria. | Notice dated 29 th May 2020. |
| 8. Shri Muktanand Agrawal | Notice dated 24 th June 2020. |

Item 6: Contribution to C.M. Relief Fund, Rajasthan.

The Board accorded ex-post facto approval for contribution of Rs. 5.00 cr. to C.M. Relief Fund, Rajasthan, considering its moral obligation to assist the State Government in undertaking various measure to deal with the emerging situation due to COVID-19.

Item 7: Pricing policy for allotment of un-developed land.

The Board discussed the agenda and directed that the reserve rate of auction for undeveloped land be fixed on the basis of industrial DLC of

the land worked out as per Notification of Finance Department, GoR, applicable at the time of such auction.

In case, any direction received from the State Government/SLEC regarding preferential allotment of undeveloped land than the same would be complied with.

Item 8: Contribution of RIICO towards the corpus created in the Scheme for establishment of Integrated CETPs and up-gradation of existing CETPs

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

- a. Approval for earmarking RIICO's contribution of Rs. 100 crores in the Corpus from the RIICO's Environment Protection Fund to the extent of available amount in this head. The balance funds may be provided as and when required from the own fund of RIICO.
- b. Replacement of the clause No. 1(f) of the office order issued as per IDC decision dated 19.7.2017 so as to provide that "The point of accrual of EPF for the purpose of making expenditure there against will be the date and year of issue of respective A.S".

Item 9: Status and the progress achieved in development of Integrated Industrial Zone(IIZ) in the vicinity of Refinery-cum-Petrochemical Complex at Pachpadra, Distt. Barmer, Rajasthan.

The Board discussed the agenda, noted the progress and directed to expedite the works. Managing Director also be authorized to engage consultant for this project.

Item 10: Ex-post-facto approval for creation of new Unit Offices at Churu, Dausa and Rajsamand.

The Board discussed the agenda and accorded ex-post facto approval for creation of new Unit Offices at Dausa, Rajsamand and Churu w.e.f. 01.04.2020.

Item 11: Relief Package granted to the Standard Accounts of the Existing Borrowers in wake of Covid-19 Pandemic & Follow-up Lockdown

The Board discussed the agenda and accorded ex-post-facto approval to the package of reliefs to the standard term loan accounts of the Corporation, as follows:

- a) The quarterly installment of interest due on April 15, 2020 be deferred which shall now be payable in three equal quarterly installments from next quarter, along with interest. The deferred amount (i.e. interest after rebate) shall be treated as Funded Interest.
- b) Interest shall continue to accrue on the outstanding loan amount (including Funded Interest) during the moratorium period and shall be charged at the rate(s) as may be applicable in each case/account. Admissible rebate for timely payment, if any, shall be allowed as per the prevailing policy of the Corporation.
- c) The quarterly installment of principal amount falling due on May 15, 2020 be deferred which shall now be payable as a last installment thereby extending the existing last date of repayment (LDR) by a quarter.
- d) Interest on standard accounts be reduced by 0.5% p.a. on the outstanding amount of term loan for the quarter ending on 15th April 2020 (i.e. w.e.f. January 16, 2020), for the remaining tenure of the term loan.
- e) The above reschedulement will not tantamount to default for the purposes of NPA classification & for allowing benefit of timely rebate. Any intimation, to the credit agency/lenders, shall be given accordingly in this regard.

The Borrower's account will be classified as standard account as on 16th January 2020 for the purposes of this relief package only if there was zero default, as on 16th January 2020, in payment of term loan dues. Further, in those cases where the borrower's account(s) has been classified as sub-standard for the technical reasons only, however, the borrower is otherwise regular in making timely payment of term loan dues of the Corporation, it shall be treated as standard account as on 16th January 2020 for the purposes of extending this relief package. Expedited payment, if any, made by the borrower against above package, will be accepted by the Corporation and credit to their account(s) will be allowed accordingly. The borrower would have option to opt for the relief package in full or in part, as may be considered beneficial to them. However, it has to give its option in writing well in advance which shall not be revocable.

The Board also authorized the Managing Director to further approve sector specific or general relief package(s) to the existing term loan borrowers of the Corporation, looking to the market conditions as may arise in future due to the cascading effect of corona pandemic

followed by lockdown. The Managing Director was further authorized to approve all the incidental matters which may arise in future for proper implementation of the relief package(s).

Item12 Proposed Second/Revised Relief Package, for the Existing Standard Accounts of the Corporation and launching of New Scheme to Extend Loan, in wake of Covid-19 pandemic & follow up lockdowns.

The Board discussed the agenda and accorded approval for Second/Revised Relief Package, as given below, for the Existing Standard Accounts of the Corporation and launching of New Scheme to Extend Loan, in view of Covid-19. This revised package also includes the package approved under Item 11 above.

1. Installments of interest fallen due on 15.04.2020 and further falling due on 15.07.2020 & 15.10.2020 be funded as Funded Interest on Term Loan (FITL) which shall be payable in 06 monthly equal installments from 15.01.2021 & onwards.
2. Interest installment falling due on 15.01.2021 shall be paid as usual.
3. FITL shall attract rate of interest as applicable.
4. Principal installment of term loan falling due on 15.05.2020, 15.08.2020 and 15.11.2020 be deferred which shall be paid as last 03 installments. Accordingly, LDR stands extended by 03 quarters.
5. The above reschedulement will not tantamount to default for NPA classification & for allowing benefit of timely rebate.

The Borrower's account will be classified as standard account as on 16th January 2020 for the purposes of this relief package only if there was zero default, as on 16th January 2020, in payment of term loan dues. Further, in those cases where the borrower's account(s) has been classified as sub-standard for the technical reasons only, however, the borrower is otherwise regular in making timely payment of term loan dues of the Corporation, it shall be treated as standard account as on 16th January 2020 for the purposes of extending this relief package. Expedited payment, if any, made by the borrower against above package, will be accepted by the Corporation and credit to their account(s) will be allowed accordingly. The borrower would have option to opt for the relief package in full or in part, as may be considered beneficial to them. However, it has to give its option in writing well in advance which shall not be revocable.

The Board also authorized the Managing Director to approve all the incidental matters which may arise in future for proper implementation of the relief package(s).

The Board further accorded approval to the new Scheme for Medium Term Multipurpose Loan under Covid-19, as per the detailed Scheme placed at Annexure-III to the agenda note.

Item 13: Motivational Incentive Scheme for recovery of Term Loan & Equity Dues Under SFC Act, 1951/PDR Act/Land Revenue Act

The Board discussed the agenda and deferred the same with a note that the proposed Incentive Scheme be re-examined and ceiling be prescribed for the amount of incentive to be paid in each case to an individual officer subject to concurrence of Revenue Department for this scheme.

Item14: Purchase of Two Nos. Vehicles.

The Board discussed the agenda and noted purchase of Two Nos. Vehicles.(Bolero B-6 and Dzire Zxi 2020) at approximately cost Rs. 19.03 lacs including taxes, registration, insurance & logistic charges.

Item15: Quarterly performance review of the activities of the Corporation (IVth Quarter ended 31st March 2020).

The Board noted the quarterly performance review of the activities of the Corporation ended on 31st March 2020.

Item16: Status note on Non-Performing Assets (NPA) in the Reality Sector and the major defaulters of the term loan.

The Board discussed the agenda and also perused the recommendations of the Sub-Committee. The Board directed that a status note along with a progress report of recovery made against the top 10 defaulter units, along with the realty cases, be placed in every meeting.

The Board further suggested that a policy be worked out for settlement of term loan dues of such defaulter accounts where the loan was sanctioned about 15 years ago, unit is closed/sick/under litigation etc, so that an amount around the expected market value may be recovered immediately.

Item 17: Revision in the Allotment Rate of Industrial Plots of existing slow moving Industrial Areas.

The Board discussed the agenda and accorded approval for adoption of reduction in allotment rate of such existing slow moving industrial areas which have already been opened for allotment, on the same lines as approved by BOD through resolution by circulation on 22.01.2020, and authorized the Managing Director on the fulfillment of the following criteria:

- i) Total allotted plots within one year from the date of opening for allotment are less than 5% of the total saleable plots.

or

- ii) Total allotted plots within two years from the date of opening for allotment and till the date of considering the proposal are less than 10% of the total saleable plots.

This shall be the part of policy for reduction in allotment rate. MD was also authorized to approve such rules, from time to time.

Item 18: Rationalization of basis for fixing allotment rate of new industrial areas for the F.Y-2020-21 due to Covid-19.

The Board discussed the agenda and accorded approval for rationalization of the rate of allotment of new industrial areas only to be launched during financial year 2020-21, as follows:

Sr. No.	Head	Existing Provision	Revised Provision
1.	Provision for future up-gradation of infrastructure.	5% of Direct Cost	5% of Direct Cost.
2.	Over head expenses	10% of Direct Cost	5% of Direct Cost.
3.	Provision for water harvesting	5% of compensation	Estimated cost in real terms.
4.	Additional cost towards provision for rebate to different categories.	20% of the basic rate of allotment.	10% of the basic rate of allotment.
5.	Saleable area	Total of actual saleable area comprising	Actual saleable area for industrial land and double of the

		industrial, commercial and institutional area.	saleable area of commercial land.
--	--	--	-----------------------------------

Item 19: Proposed relief package to MSME of the State: RIICO Part under the interim report of Task Force constituted by Govt. of Rajasthan.

The Board noted that the agenda is presently for the information. The actions and implementation of the relief package will be done as decided by the State Government and the Board will be apprised accordingly.

Item 20: 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 Board discussed the agenda and endorsed the decision of the management as regards to raising the ceiling of area of non-industrial use, in certain industrial areas, upto 20% in view of the fact that the restrictions of limiting the land use for commercial purpose upto 10% of total allocable area under the Industrial Park Scheme-2002 is to be followed only for the period of benefit of tax holidays (i.e. 10 years) and not in perpetuity. Further, in case of Industrial Area, Neemrana, Phase-I, where the non-industrial use was allowed to be raised upto 20%, the period of benefit of tax holidays had already elapsed, thus, its status had come at equal footing with other general industrial areas and, accordingly, such conditions of Notification/Industrial Park Scheme-2002 were no more relevant/applicable for this industrial area.

Accordingly, the Board has noted the position brought out in agenda and resolved that looking to facts, earlier decision taken by the BoD in its meeting 27.03.2018 is modified to the extent that raising the ceiling of non industrial use up-to 20% in saturated industrial areas (except those areas which were notified under the Industrial Park Scheme 2002 and period of tax holiday is not elapsed). The Board has also ratified the decision taken by the Management earlier.

GENERAL OBSERVATIONS:

1. The Board directed that the proposed CSR Budget of the Corporation for FY 2020-21 be used for the permissible

activities/funds under Rajasthan State Disaster Management Authority.

2. The Board directed that every policy decision pertaining to land matters except administrative orders, needs to reflect in RIICO Disposal of Land Rules, 1979 by making suitable amendments/insertion/ deletion in the existing rules.

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

CHAIRMAN

Date of Signature:

Date of Entry: 17.07.2020.

Place: Jaipur

