

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

MINUTES OF : **Board Meeting**
VENUE : **Udyog Bhawan, Jaipur**
DATE & TIME : **25th March 2015 at 5.30 P.M.**

PRESENT:

Shri C.S. Rajan	Chairman
Dr. Ashok Singhvi	Principal Secretary Mines & Petroleum
Shri Rajeeva Swarup	Principal Secretary SSI & Khadi
Smt. Veenu Gupta	Managing Director
Shri Sanjay Malhotra	Principal Secretary Energy
Shri Abhay Kumar	Commissioner Industries
Shri Maneesh Chauhan	Managing Director RFC
Dr. Samit Sharma	Commissioner Inv. & NRI

Shri D.K. Sharma, Secretary was in attendance. Shri Prakash Tekwani, Financial Advisor; Shri Lalit Kumar, Advisor (Infra); Dr. A.K. Gupta, CGM (Investment) and Shri M.K. Nathuramka, GM (Inv.) were also present.

LEAVE OF ABSENCE:

The Board granted leave of absence to Shri P.S. Mehra, Principal Secretary Finance and Shri Shikhar Agrawal, JDC.

Item 1: Confirmation of the minutes of the last meetings of the Board held on 6th February 2015 & 13th February 2015.

The minutes of last meetings of Board held on 6th February 2015 & 13th February 2015 were confirmed and signed by the Chairman.

Item 2: Action Taken Report on the decisions of the previous meetings of the Board held on 6th February 2015 & 13th February 2015.

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

Item 3: To note the Resolutions passed by circulation regarding 'Operation, Maintenance and Management (O&M) of four Agro Test Centres located in Agro Food Parks at Boranada (Jodhpur), Ranpur (Kota), Sri Ganganagar and Alwar on Public-Private Partnership Basis'.

The Board noted the following resolutions passed by circulation which shall be deemed to have been passed on 18th March 2015.

RESOLUTIONS :

“RESOLVED that National Collateral Management Service Ltd. (NCML) is declared as the Selected Bidder for the project to undertake operation, maintenance and management of four Agro Test Centres (ATCs) located in Agro Food Parks at Boranada (Jodhpur), Ranpur (Kota), Sri Ganganagar and Alwar on PPP basis and License Agreement forming part of agenda be executed with NCML.

FURTHER RESOLVED that the Managing Director is authorized to:

- Arrange issuance of Letter of Award to NCML;
- Nominate an officer of the Corporation to execute the License Agreement on behalf of the Corporation;
- Take all requisite steps and actions in compliance to the License Agreement;
- Amend terms and conditions of the License Agreement, in the interest of the Corporation, as may be recommended by the Procurement Committee comprising Financial Advisor, Addl. General Manager (Special Projects Cell), Senior Dy. General Manager (T-Shri Kishore Gupta), Dy. General Manager (Law-Shri Sudipto Sen) and an officer of PDCOR Limited; and
- Constitute committee(s) for monitoring of license agreement and/or any other incidental matters relating to the Project.”

Item 4: Minutes of the meeting of the Infrastructure Development Committee of the Board held on 2nd March 2015.

The Board noted the position.

Item 5: Minutes of the meeting of the State Level Settlement Committee of the Board held on 13th February 2015.

The Board noted the position.

Item 6: Ex-post-facto approval of the Memorandum of Understanding executed with FICCI for organizing “Vastra – An International Textile & Apparel Fair 2015” to be held from 28th to 30th September 2015 at Jaipur.

The Board discussed the agenda and:

- 1) accorded ex-post-facto approval to MOU executed between RIICO and FICCI on 20.02.2015 for organizing “Vastra -2015” from 28th to 30th September 2015 at Jaipur.
- 2) Authorized Managing Director of the Corporation to decide any incidental matter, if arises in future, in relation to referred MOU.

The Board further directed that similar MOUs be approved by the Managing Director at their level, in future.

Item 7: Financial Statement for the nine months ended on 31st December 2014.

The Board noted the position and took on record the un-audited financial statement for the nine months ended on 31st December 2014.

Item 8: Budget Estimates for the FY 2015-2016 and Revised Estimates for FY 2014-15.

The Board discussed the agenda and accorded approval to the Revised Budget Estimates for the year 2014-15 and Budget Estimates for the year 2015-16.

Item 9: Approval for increase in Audit fee of Statutory Auditors.

The Board discussed the agenda for enhancement of the Statutory Audit fee from Rs.3,00,000/- to Rs.4,50,000/- for the Financial Year 2014-15 and onwards, and recommended the same for approval by the shareholders in Annual General Meeting.

Item 10: Appointment of Tax Auditors under section 44 AB of the Income Tax Act for Financial Year 2014-15.

The Board discussed the agenda and accorded approval for:

- i. Appointment of M/s S.L. Gangwal & Co. Chartered Accountants, Jaipur as Tax Auditors for Financial Year 2014-15 on a fee of Rs. 90,000/- plus service tax.
- ii. Payment of fee of Rs.5000/- plus service Tax 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 subject to maximum of statutory audit fee and additional fee of Rs.1,000/- plus service tax per certificate/report for online uploading of Tax Audit Report and 80 IA certificates for the profit making industrial areas only.

Item 11: Imposition of additional one time cess to recover the advance made to Bhiwadi Jal Pradushan Nivaran Trust (BJPNT) for up-gradation of existing CETP, Bhiwadi.

The Board discussed the agenda in detail and accorded approval for:

- (i) levy of additional one time cess (Special CETP charges) on industrial units of Bhiwadi, on rational basis, for recovery of shortfall in advance made to BJPNT for up-gradation of existing CETP.
- (ii) levy of additional one time cess (Special CETP charges), as under:-

Sr. No.	Category (As	Total Area of units falling	Existing One Time	Revised additional	Category wise
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	decided by BJPNT)	under this category (in sqm.)	Cess (rate per sqm.)	one time cess (rate per sqm.)	amount to be collected on imposition of additional one time cess (Rs. in lac)
1	A	9,86,193	6	9	88.76
2	B	10,75,339	12	18	193.56
3	C	5,69,919	30	45	256.46
4	D	2,35,807	40	60	141.49
5	E	2,19,172	80	120	263.01
6	Rampura Mundana	1,30,391	4	6	7.82
7	Misc.	21,16,583	4	6	127.00
Grand Total					1078.10

- (iii) authorizing Managing Director to transfer the remaining amount to BJPNT for up-gradation of existing CETP, in case the actual amount recovered under the head of 'one time cess' and additional 'one time cess' (Special CETP charges) exceeds the outstanding advance amount disbursed to BJPNT.

Item 12: Scheme for financing of Solar Power Projects.

The Board discussed the agenda and approved the Scheme for financing of Solar Power Projects, as per the detailed scheme placed at Annexure–A of the agenda note.

Item 13: Scheme for financing against immovable property.

The Board discussed the agenda and approved the Scheme for financing against immovable property, as per the detailed scheme placed at Annexure–A of the agenda note.

Item 14: Proposal to raise loan limits in various schemes for financial assistance.

The Board discussed the agenda and accorded approval to raise loan limits in the following schemes for financial assistance:

Sl. No.	Name of the Scheme	Existing	Revised
1.	Medium Term Multipurpose Loan (MTMPL)	Maximum loan limit of Rs. 200 lac, subject to ceiling of aggregate term loan of Rs. 1000 lac.	Maximum loan limit of Rs. 500 lac.

2.	Working Capital Term Loan (WCTL)	Maximum loan limit of Rs. 200 lac, subject to ceiling of aggregate term loan of Rs. 1000 lac.	Maximum loan limit of Rs. 500 lac.
3.	Equipment Finance Scheme (EFS)	Maximum loan limit of Rs. 400 lac.	Maximum loan limit of Rs. 1000 lac.
4.	Flexi Loan for Hotels, Hospitals & Nursing Homes	Maximum loan limit of Rs. 100 lac.	Maximum loan limit of Rs. 500 lac.

The Board further directed that the loan limits and other features of various schemes be reviewed every three years.

Item 15: Proposal to moderate structure of fees/charges levied by the Corporation in various schemes for financial assistance.

The Board discussed the agenda and accorded approval for revision in structure of fees/charges levied by the Corporation in the following schemes for financial assistance:

Sl. No.	Fees/Charges	Existing	Revised
1.	Processing Fee	@ 0.1% of the term loan applied for (in case of good borrowers as well as new borrowers)	No change
2.	Service Charges in lieu of legal charges & reimbursement of expenses on inspection, etc.	For Good Borrowers @ 0.05% of the sanctioned term loan, subject to a maximum of Rs. 4.00 lac. For New Borrowers @ 0.40% of the sanctioned term loan, subject to a maximum of Rs. 4.00 lac.	For Good Borrowers @ 0.15% of the sanctioned term loan, subject to a maximum of Rs. 4.00 lac. For New Borrowers @0.40% of the sanctioned term loan, subject to a maximum of Rs. 4.00 lac.
3.	Upfront Fee	For Good Borrowers @ 0.10% of the sanctioned term loan, subject to a maximum of Rs. 4.00 lac. For New Borrowers	For Good Borrowers Nil For New Borrowers

		@ 0.50% of the sanctioned term loan, subject to a maximum of Rs. 4.00 lac.	Nil
4.		In case of Fresh starters seeking loan assistance up to Rs. 1.00 crore and under Loan Scheme for Young/First Generation Entrepreneurs: Processing Charges, Service Charges and Upfront fee are being levied @ 0.10%, 0.15% and 0.25% respectively.	In case of Fresh starters seeking loan assistance up to Rs. 1.00 crore and under Loan Scheme for Young/First Generation Entrepreneurs: Processing Charges and Service Charges will be levied @ 0.10% and 0.15% respectively.
5.		In case of swapping of term loan by the Corporation, composite fee @ 0.25% of the term loan swapped (0.10% towards Processing Charges, 0.05% towards Service Charges and 0.10% towards Upfront Fee) is being levied, provided the applicant meets the criteria of Incentive Scheme of Good Borrowers of the Corporation.	In case of swapping of term loan by the Corporation, composite fee @ 0.25% of the term loan swapped (0.10% towards Processing Charges and 0.15% towards Service Charges) will be levied, provided the applicant meets the criteria of Incentive Scheme of Good Borrowers of the Corporation.
6.		Under Short Term Loan Scheme to existing Good Borrowers: Processing Charges @ 0.1% and Service Charges @ 0.4% are being levied.	Under Short Term Loan Scheme to existing Good Borrowers: Processing Charges @ 0.1% and Service Charges @ 0.15% will be levied.

Note: Service Tax and Cess on the above charges/fees, as may be levied by the Government and as applicable from time to time, shall be payable extra.

Item 16: Allotment of land to ShriVallabah Pittie Group of Industries for setting up of Textile Project at industrial area Dhanodi, Distt. Jhalawar.

The Board was informed that ShriVallabah Pittie Group is keen to set up a textile project of approximate two lac spindles at Jhalawar entailing investment of Rs. 1000 cr. with employment to over 1000 peoples. It was further informed

that the referred project will be implemented by four group companies to avail benefit under TUF Scheme of GoI. Looking to big investment and employment opportunities in the state, as proposed by the group, a meeting was held on 18.03.2015 under the chairmanship of Chief Secretary, Rajasthan, regarding allotment of land, wherein it has inter-alia been decided, in-principle, to allot 25 ha. land to the applicant group companies at a lump-sum amount of Rs.5.00 cr. and in case actual cost works to be more than Rs.5.00 cr., then, the difference amount will be reimbursed by State Government to RIICO.

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

- i. To revise the existing lay out plan of industrial area Dhanodi to accommodate allotment of 25 hectare land by clubbing road area, open land and land reserved for services with the saleable industrial area.
- ii. To allot total 25 hectare (approx.) land in favour of 4 different group companies of ShriVallabh Pittie Group of Industries on preferential basis at lump sum amount of Rs.5.00 crore by relaxing the existing rules/procedures of land allotment, such as advertisement in newspaper, allotment through draw of lot, auction process beyond 60% saleable land etc., in a new industrial area.
- iii. To request the State Government to reimburse Rs. 4.50 crore to RIICO, on account of difference in actual cost and land cost, to be paid by the applicant company.
- iv. To allow payment of 75% cost of land within a period of 2 years in quarterly installments with interest.
- v. To recover service charges and economic rent as per RIICO Disposal of Land Rules, 1979 from the respective allottee companies.
- vi. For stipulating following riders/stipulations, in addition to other general terms and conditions, as the allotment of land is being made on concessional rate:
 - a. No change of land use of allotted land from industrial to other use will be permitted in future.
 - b. No transfer of lease hold rights will be permitted up-to 5 years from the date of commencement of production activity. However, Lessee Companies will be free to obtain financial assistance for their projects from Financial Institutions as per terms and conditions mentioned in Lease Agreement(s).
 - c. No other incentives/concessions/rebates will be admissible to the allottees by RIICO except those admissible under RIPS-2014 and under customized package to be sanctioned by the State Government.

vii. That remaining saleable land of this industrial area be kept reserved for agro based industry as per decision taken earlier by the Management.

The Board directed that allotment letter may be issued within this financial year.

Item 17: Corrective action on Statutory Auditor's Observations on Annual Account of the Corporation for the year ended on 31st March, 2014.

The consideration of the agenda item was deferred due to paucity of time.

Item 18: Case of Divya Moti Hotels & Resorts (P) Ltd. , Jaipur.

The consideration of the agenda item was deferred due to paucity of time.

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