

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

MINUTES OF : **Board meeting**
VENUE : **Udyog Bhawan, Jaipur**
DATE & TIME : **29th August 2013 at 11.00 A.M.**

PRESENT :

Shri Sunil Arora	Chairman
Dr. Govind Sharma	Principal Secretary Finance
Shri Yaduvendra Mathur	CMD RFC
Shri Sudhansh Pant	Secretary Mines & Petroleum Deptt.
Shri Abhay Kumar	Commissioner JDA
Shri Siddharth Mahajan	Commissioner (Inv. & NRI)
Shri Naveen Mahajan	Managing Director

Shri D.K. Sharma, Secretary was in attendance. Mrs. Aparna Sahay, Financial Advisor, Mrs. Urmila Rajoria, Advisor (A&M); Shri Chetan Deora, Advisor (Infra); Shri A.K. Gupta, CGM and Shri Alok Kumar, CGM(BP) were also present.

LEAVE OF ABSENCE

The Board granted leave of absence to Shri S.K. Agarwal, Principal Secretary Energy, Shri Rajeshwar Singh, Secretary Small Industries & Khadi Gramoudyog and Shri Rajesh Yadav Commissioner Industries.

WELCOME OF THE CHAIRMAN

At the outset, the Board welcomed Shri Abhay Kumar who attended meeting of the Board for the first time after his appointment and expressed hope that the Board will be benefited with his association.

Item 1: Confirmation of minutes of the last meeting of the Board held on 27th June 2013.

The minutes of the meeting of the Board held on 27th June 2013 were confirmed and signed by the Chairman.

Item 2: Action Taken Report on the decisions of the previous meeting of the Board held on 27th June 2013.

The Board noted the position. While discussing Item 11 regarding extension of validity period to grant production incentive package under Tribal Area Regional Industrial Promotion Scheme 2009-10; the Board accorded one year extension in the validity period as below:

1. Point No.4(a)(i) and 4(b)(i) of the scheme upto 30.9.2014
2. Point No.4(a)(ii) and 4(b)(ii) of the scheme upto 31.12.2014.

The Board also directed that for wider publicity of the scheme it be once again advertised, brought to the notice of Local Industrial Associations, and status note on the scheme be placed in every subsequent meeting of the Board.

Item 3: Appointments of 1) Chairman of the Corporation; 2) Managing Director of the Corporation; and 3) Director of the Corporation.

The Board discussed the agenda and adopted following Resolutions:

RESOLUTIONS

“RESOLVED that the appointments of Shri Rakesh Srivastava as Director & Chairman on the Board of the Corporation w.e.f. afternoon of 18th June 2013 to the forenoon of 30th July 2013, and Shri Sunil Arora as Director & Chairman on the Board of Directors of this Corporation w.e.f. afternoon of 30th July 2013, be and is hereby noted.

FURTHER RESOLVED that the appointment of Shri Siddharth Mahajan as Managing Director on the Board of Directors of this Corporation with effect from afternoon of 28th June 2013 to forenoon of 24th August 2013, vice Shri Naveen Mahajan, be and is hereby noted.

ALSO RESOLVED that the appointment of Shri Naveen Mahajan as Managing Director on the Board of Directors of this Corporation with effect from afternoon of 24th August 2013, vice Shri Siddharth Mahajan, be and is hereby noted.

The Board further noted the appointment of Shri Abhay Kumar, Commissioner, Jaipur Development Authority, Jaipur, as director on the Board of Directors of the Corporation, in place of Shri Kuldeep Ranka w.e.f. 26th June 2013.

The Board places on record its deep appreciation for the valuable services rendered by Sarva Shri Rakesh Srivastava, Siddharth Mahajan and Kuldeep Ranka during their tenure as Chairman, Managing Director and Director respectively.

Item 4: Disclosure of interest by the Directors.

The Board noted the disclosure made by the Directors and adopted following Resolution:

“RESOLVED that interest disclosed by the following directors in their general notices pursuant to Sections 299(3)/305 of the Companies Act, 1956, which were read over in the meeting, be and are hereby noted:

1. Shri Rakesh Srivastava Notices dated 10th July 2013.
2. Shri Abhay Kumar Notice dated 22nd July 2013.”

Item 5: Transfer of Shares.

The Board approved transfer of one equity share of Rs.1000/- of this Corporation, bearing distinctive number 401, from the name of Shri Naresh Pal Gangwar to the name of Shri S.K. Agarwal and authorized the Secretary of the Corporation to endorse the Share Certificate in the name of the transferee.

Item 6: Retirement of directors by rotation.

The Board discussed the position brought out in the agenda note. In pursuance to the provisions of Article 77(ii) of the Articles of Association of the company, the Board decided that Shri Sudhansh Pant, Shri Rajeshwar Singh and Shri Yaduvendra Mathur, being the senior most directors, be retired at the ensuing 44th Annual General Meeting (AGM). The Board further decided to request the State Government to consider re-nomination of all the three retiring directors with effect from the date of the ensuing AGM. In case of any change in the constitution of the Board before the forthcoming AGM, the senior most director(s), will retire at the ensuing AGM.

Item 7: Minutes of the meeting of the State Level Settlement Committee of the Board held on 16th August 2013.

The Board noted the position.

Item 8: Tax planning measures suggested by the sub-group formed by the Board in the meeting held on 18th March 2013.

The Board noted the recommendations of the Sub-group and requested the Chairman to take up the matter with CBDT.

Item 9: Ex-post-facto approval of Memorandum of Understanding executed with FICCI for organizing “VASTRA” – An International Textile & Apparel Fair 2013” being held from 3rd to 6th October 2013 at Jaipur.

The Board discussed the agenda and accorded ex-post-facto approval for the MoU executed between RIICO and FICCI on 2.7.2013 for organizing “VASTRA – 2013” from 3rd to 6th October, 2013 at Jaipur. The Board also authorized Managing Director of the Corporation to decide any incidental matter, if arises in future, in relation to this MoU.

Item 10: Approval of Annual Accounts for the year ended on 31st March 2013.

The Board was informed that Audit Committee in its meeting held on 29th August 2013 has reviewed the Annual Accounts and recommended the same for consideration by the Board. The salient features - financial results, achievements made in the field of financial assistance, infrastructure activity and business development during the financial year 2012-13 were briefed to the Board by Financial Advisor. The Board took note of the financial &

physical performance and placed on record its appreciation for the commendable work done by Team RIICO. The Board also discussed few issues with CA S.L. Gangwal and CA Vipin Gangwal the representatives of M/s. S. L. Gangwal & Company, the Statutory Auditors.

The Board accorded approval for making necessary reserves, provisions, write-offs/backes and change/re-wording/re-drafting/re-structuring of the Accounting Policies, wherever required.

The Board also approved the following:-

A. Reserves / Provisions:

- 1) to make provision of Rs.9.83 lacs against Standard Assets as per Reserve Bank of India directives.
- 2) to make provision of Rs.209.53 lacs, against leave encashment liability, payable to employees as retirement benefit in compliance of Accounting Standard-15.
- 3) to make a provision of Rs.7500.00 lacs against income tax based on current year's income, Rs.127.15 lacs as deferred tax liability and Rs.8.20 lacs against wealth tax on the advice of tax consultant.
- 4) to create a reserve of Rs 828.29 lacs as special reserve under section 36(1) (viii) of Income Tax Act, 1961.
- 5) to appropriate Rs.3000.00 lacs towards Infrastructure Development Reserve for special maintenance of industrial areas in future.
- 6) to make provision of Rs.258.69 lacs against gratuity liability in compliance of Accounting Standard-15.
- 7) to create reserves of Rs.480.00 lacs for Corporate Social Responsibility to comply with provision/guideline under the Companies Act.

B. Accounting Policies

The accounting policies be reworded/redrafted/restructured wherever considered necessary for better understanding of financial statements.

C. Write off:

The following balances outstanding for longtime be written off in the accounts for the year 2012-13:

i) Advances against oil companies	Rs. 38.95 lacs
ii) Term loan dues-Julka Vanaspati	Rs. 5.89 lacs
iii) Others	Rs. 0.39 lacs

D. Proposed Dividend

The Board made recommendation of dividend of Rs.2101.86 lacs, inclusive of dividend tax, equal to 10% of paid up capital of the company for the financial year 2012-13 in view of profits during the financial year and comfortable liquidity position.

The Board also approved the Balance Sheet as on 31st March 2013 and Statement of Profit and Loss and Cash Flow Statement for the year ended on that date together with changes in Accounting Policies and Notes thereon. Shri Sunil Arora, Chairman; Shri Naveen Mahajan, Managing Director; Shri Siddharth Mahajan, Director; Mrs. Aparna Sahay, Financial Advisor and Shri D.K. Sharma, Secretary were authorized to authenticate the aforesaid documents and to hand-over the same to Statutory Auditors for their report thereon.

Item 11: Approval of Directors' Report and fixation of the date for the Annual General Meeting (AGM).

The Board discussed the agenda and approved the Directors' Report for the financial year 2012-13 and also accorded approval to:

- 1) authorize the Chairman to sign the Directors' Report on behalf of the Board and to fix the date and time for holding the 44th AGM;
- 2) authorize the MD for making any modification in Directors' Report, if considered necessary, before circulation to the shareholders;
- 3) call the 44th AGM at a shorter notice with the consent of all the shareholders;
- 4) authorize the MD to approve the draft notice of AGM;
- 5) authorize the Secretary to issue notice of AGM under his signature; and to circulate the report of CAG to the shareholders.
- 6) authorize the MD of the Corporation to approve the management's replies on behalf of the Board, in case of a qualified report of CAG.

Item 12: Extension of time for holding of Annual General Meeting for the year 2012-13.

The Board discussed the agenda and decided to seek extension of time for holding the 44th Annual General meeting up to 31st October 2013, from the Ministry of Corporate Affairs/Registrar of Companies. The Board adopted the following Resolution:

RESOLUTION

“**RESOLVED** that approval be and is hereby accorded for seeking extension of time, from the Ministry of Corporate Affairs/Registrar of Companies, for holding the 44th Annual General Meeting of the Rajasthan State Industrial Development & Investment Corporation Limited, Jaipur up to 31st October 2013 and placing the annual accounts for the financial year 2012-13 thereat.”

After completing the above agenda items, the Board took a brief break and re-assembled to consider the following agenda items with the permission of the Chair.

Item 13: Allotment of land in various industrial areas to the applicants selected by the RFC under the “Yuva Udyamita Protsahan Yojana”.

The Board discussed the agenda and accorded approval for making allotment of land to the selected candidates under the captioned scheme at various industrial areas of the Corporation. The Corporation will preferentially accommodate the applicants in upcoming industrial areas (e.g. Srinagar & Roopangarh, Ajmer; Ghiloth, Alwar; Manda Ph.II, Jaipur; and Kaladwas Extn., Udaipur) in clusters by making land allotment on preferential basis at the allotment rate with applicable concession under Rule 3(A) of RIICO Disposal Land Rules, 1979, by dispensing with the requirement of inviting applications through publication in newspaper. However if the applicant wants allotment of land in saturated industrial areas, preferential allotment may be made on highest auction rate received for industrial plot by adding 6% p.a. interest from the date of receiving the highest auction rate upto the date of allotment, by dispensing with requirement of auction process. It was further decided that the benefit of Continuous Production Incentive Scheme will also be extended to the applicants as per their meeting the requirements under the cited scheme and amount to be reimbursed will be calculated on the actual land cost paid to the Corporation. Other broad modalities for allotment of land shall be as decided in the In-house meeting held on 16.8.2013, as per Annexure ‘C’ to the agenda note.

Item 14: Proposal for incorporation of a SPV company for development of Khushkhera-Bhiwadi-Neemrana Investment Region (KBNIR) of DMIC.

The Board discussed the agenda and, subject to approval of the State Government, accorded approval for the following in respect to incorporation of a SPV company for development of Khushkhera-Bhiwadi-Neemrana Investment Region (KBNIR) of DMIC:

1. Name of the company:
KBN Industrial Township Limited or to be decided by MD as per availability of name with Ministry of Corporate Affairs, Government of India.
2. Authorized capital:
The initial authorized capital can be Rs.100 crores.
3. Name of first directors:
The first 3 directors could be Chairman-RIICO, MD-RIICO and Commissioner-BIP.
4. Initial 7 subscribers:
These could be senior officials of RIICO (Three Advisors, two CGMs and two GMs). They will subscribe to one share each as nominee of RIICO.
5. Address of Registered Office:
It can be stated in the Memorandum that the Registered Office shall be situated in the State of Rajasthan.
6. To authorize the MD to finalize Memorandum and Articles of Association based on functions reserved for Regional Developers Agency (RDA) as proposed in SIR Act and to make changes in any of the above proposals as per directions of the State Government.

The Board also authorized the Managing Director to request the State Government for its approval as required under Clause 92 of the Articles of Association of RIICO.

Item 15: Change in shareholding pattern of the Authorizee implementing the Exhibition-cum-Convention Center at Sitapura Industrial Area Jaipur.

The Board discussed the agenda and accorded ex-post-facto approval of the change in shareholding pattern of the Authorizee, as enumerated in the agenda note, in pursuance to Clause 5.1(m) of the Authorization Agreement dated 10th March 2012. The decision may be communicated to the Authorizee by CGM(BP).

Item 16: Amendment in RIICO Employees Services (Revised Pay Scales) Rules, 2008.

The Board discussed the agenda and accorded ex-post-facto approval for the amendments made in RIICO Employees Services (Revised Pay Scales) Rules, 2008 analogues to the State Government, for which office order No.A.1(9)93/2008-13 dated July 29, 2013 has already been issued.

The Board also accorded approval to amend column 14 of the relevant schedule-III of RIICO Employees Services (Revised Pay Scales) Rules, 2008, regarding amount of fixed remuneration for probationer-trainees, thereby substituting the existing figure “10000” and “11100” by “11100” and “13050” respectively, analogues to the State Government office order dated 10.7. 2013.

Item 17: Proposal for payment of Bonus/Ex-gratia and Monetary Incentive.

The Board discussed the agenda and accorded approval for the payment of bonus/ex-gratia equivalent to 8.33% of the salary and monetary incentive @ 11.67% of the salary to all the employees of the Corporation, for the financial year 2012-13, in appreciation of the good work done by them and also as an incentive for their professional dedication towards excellence, with the condition that in case of employees drawing salary exceeding Rs.3500/- (Running Pay + Grade Pay + D.A.) the amount of bonus/ex-gratia and monetary incentive will be calculated as if the salary was Rs.3500/- p.m.

Item 18: To accord ex-post-facto approval for payment of Bonus to the Probationer Trainee Employees of the Corporation.

The Board discussed the agenda and accorded ex-post-facto approval for payment of bonus equivalent to 8.33% of the salary to Probationer Trainee employees of the Corporation whose remuneration less than Rs.10,000/- for the financial year 2011-12 with the condition that in case of employees drawing salary exceeding Rs.3500/- (Running Pay Band + Grade Pay + DA) the amount of Bonus will be calculated as if the salary was Rs.3500/- per month.

Item 19: Proposal for purchase of 14 Mahindra Bolero for unit offices.

In pursuance to State Government Circular No.F9(1)F-1(1)Income Expenditure/2010 dated 30.06.2010, the Board accorded approval for purchase of 14 (fourteen) Nos. of Mahindra Bolero Vehicles for the unit offices of the Corporation, replacing out many hired vehicles.

Item 20: Adoption of Auditors' Report on Annual Accounts for the year ended on 31st March 2013.

The Board was informed that Audit Committee in its meeting held on 29th August 2013 has detailed discussions on the Annual Accounts for the year 31st March 2013 and the Auditors' Report thereon. The Board discussed the draft Auditors' Report with CA S.L. Gangwal and CA Vipin Gangwal, the representatives of the Statutory Auditors, namely, M/s. S.L. Gangwal & Company, Chartered Accountants, Jaipur. The Statutory Auditors briefed the major observations in the audit report to the Board.

After detailed discussions, the Board adopted the Auditors' Report on the annual accounts of the company for the year ended 31st March 2013 and authorized the Managing Director to approve the management replies on the comments of the Statutory Auditors report dated 29th August 2013 and the Annexure thereto. The Board also authorized the Managing Director to sign the replies on behalf of the Board. The replies may be circulated to the shareholders along with the report of the Statutory Auditors.

GENERAL OBSERVATION

While discussing the Annual Accounts, the Board observed that the Corporation has to make payment of compensation of about Rs.1376 crore and Rs.3000 crore towards ongoing land acquisition by RIICO and for the land required for DMIC project in KBN region respectively. With new Land Acquisition Bill on the anvil, the projected land acquisition cost is likely to get enhanced manifold. It was further observed that in order to make arrangement of funds of such a high magnitude, the Corporation will not only to leverage its inventory of land for optimum realization, but has to also approach Banks/Financial Institutions for mobilization of funds.

In this background, the Board formed a Sub-group of CMD RFC, Commissioner JDA, Commissioner Industries and MD to suggest various sets of options in this regard.

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

CHAIRMAN

