

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

MINUTES OF : **Board Meeting**
VENUE : **Udyog Bhawan, Jaipur**
DATE & TIME : **3rd December 2014 at 3.30 P.M.**

PRESENT:

Shri C.S. Rajan	Chairman
Dr. Ashok Singhvi	Principal Secretary Mines & Petroleum
Shri Rajeeva Swarup	Principal Secretary SSI & Khadi
Shri P.S. Mehra	Principal Secretary Finance
Smt. Veenu Gupta	Managing Director
Dr. Samit Sharma	Commissioner (Inv. & NRI)

Shri D.K. Sharma, Secretary was in attendance. Shri Prakash Tekwani, Financial Advisor, Shri Lalit Kumar, Advisor (Infra), Shri Gaurav Bajad, Advisor (A&M), Dr. A.K. Gupta, CGM (Investment) and Shri S.K. Sharma, Sr. DGM (P&D) were also present.

LEAVE OF ABSENCE:

The Committee granted leave of absence to Shri Alok, Shri Shikhar Agrawal, Shri Vinod Ajmera and Shri Madhusudan Sharma.

WELCOME OF CHAIRMAN & DIRECTORS

At the outset, Board welcomed Shri P.S. Mehra and Dr. Samit Sharma who attended meeting of the Board of Directors for the first time, after their appointment, and expressed hope that Board will be benefited with their association.

Item 1: Confirmation of the minutes of the last meeting of the Board held on 13th August, 2014.

The minutes of last meeting of Board held on 13th August, 2014 were confirmed and signed by the Chairman.

Item 2: Action Taken Report on the decisions of the previous meetings of the Board held on 13th August, 2014.

The Board noted the position brought out in the agenda note and made following observations:

1. The issue of outstanding dues of interest of Rajasthan State Road Development & Construction Corporation Limited be settled before the next Board meeting.
2. Revamping of the Organisation as suggested by HR Consultant be examined and agenda be placed before the next Board meeting.
3. Possibility be explored for sale of sticky accounts of term loan and equity to Assets Reconstruction Company (ARC), as directed by the Board in its last meeting.

Item 3: Minutes of the meetings of the Infrastructure Development Committee of the Board held on 6th August, 7th October & 27th October 2014.

The Board noted the position.

Item 4: Minutes of the meeting of the Industrial Committee of the Board held on 18th September 2014.

The Board noted the position.

Item 5: Minutes of the meeting of the Audit Committee of the Board held on 12th August 2014.

The Board noted the position.

Item 6: Appointment of Directors.

The Board noted the position brought out in the agenda note. The Board further noted the appointments of Shri Prem Singh Mehra, Pricipal Secretary Finance, Shri Vinod Ajmera, Commissioner Industries, and Madhusudan Sharma, Managing Director RFC, as Directors on the Board of the Corporation with effect from 27th October 2014.

The Board also noted appointment of Dr. Samit Sharma, Commissioner (Inv. & NRI), as Director on the Board of the Corporation, in place of Dr. Prithviraj, made vide Industries (Gr. I) Department, GoR, order dated 2nd December 2014.

Item 7: Disclosure of interest by the directors.

The Board noted the interest disclosure made by the Directors in their respective notices and adopted the following Resolution:

RESOLUTION:

“**RESOLVED** that the interest disclosed by the following Directors in their general notices pursuant to Section 184(1) of the Companies Act, 2013 read with the relevant rule 9(1), which were read over in the meeting, be and is hereby noted:

- | | |
|---------------------------|--|
| 1. Shri Prem Singh Mehra | Notice dated 27 th October 2014. |
| 2. Shri Vinod Ajmera | Notice dated 27 th October 2014. |
| 3. Shri Madhusudan Sharma | Notice dated 30 th October 2014.” |

Item 8: Disinvestment of equity by the State Government.

The Board discussed the agenda and noted the position brought out in the agenda note. The Board was further informed that vide gazette notification dated 18th November 2014, Securities Contracts (Regulation) Rules, 1957 have been amended and a provision has been made for issuance of at least 25% of equity shares by a company if the post issue capital is less than or equal to Rs. 1600 crore, to make it qualify for listing on stock exchange. It was also informed that, as opined by Corporation's service tax consultant, in case of disinvestment of 25% equity by the State Government, the Corporation may not qualify to be a Governmental Authority as defined vide Department of Revenue, Ministry of Finance, GoI, notification No. 02/2014- Service Tax dt. 30th January, 2014, therefore may not be eligible for exemptions from payment of service tax on certain infra receipts which are presently available to the Corporation as a Governmental Authority since its 100% equity is held by the State Government. The Board also noted that there are pending service tax demands of about Rs. 134 cr. for the financial year 2010-11 & onwards and are being contested by the Corporation before the different appellate authorities. It has been estimated that additional annual incidence of service tax on the Corporation would be about Rs. 90 cr. if the referred exemption is not admissible and not passed-on to the allottees.

In view of the referred new developments, the Board decided to seek guidance from the State Government as to the exact percentage of disinvestment in RIICO.

Subject to final decision of the state government on the issue of divestment, the board authorized the MD to accord requisite approvals in the process of disinvestment of equity and requesting the state government to make budget provisions for reimbursement of expenditures to the Corporation.

Item 9: Formation of Board Committee in pursuance to the provisions of the Companies Act, 2013.

The Board discussed the agenda and, in pursuance to provisions of section 178 of the Companies Act 2013 and Rule 6 of the Companies (Meeting of Board and its Powers) Rules 2014, accorded approval to constitute a Nomination and Remuneration Committee consisting of Principal Secretary Mines & Petroleum, Principal Secretary SSI & Khadi and Principal Secretary Finance.

The Board further accorded approval to establish vigil mechanism for directors and employees for reporting genuine concerns in such manner as may be prescribed by the Managing Director. The vigil mechanism shall provide for adequate safeguard against victimization of persons who used such mechanism and make provisions for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. The Audit Committee of the Board will also oversee the vigil mechanism.

Item 10: Proposals for change in delegations of power to CMD/MD in respect of sale of assets of assisted units.

The Board discussed the agenda and accorded approval to revise the delegation and authorized the MD to approve sales in cases where shortfall is not exceeding 20% from Market Realisable Value, worked out by independent Chartered Valuer, as against outstanding loan against the Company. Such cases, however, will be reported to the Industrial Committee for its information after issue of the sale letter.

Item 11: Proposals for modifications in terms & conditions of sale of assets by RIICO u/s 29 of SFC Act.

The Board discussed the agenda and accorded approval for revised terms & conditions of sale of assets by RIICO u/s 29 of SFC Act, as mentioned in Annexure-C to the agenda note, subject to modification of condition No. 5 as follows:

'The Corporation shall have the right to put the fixed assets for open auction. The Corporation reserves its right to invite bench mark offers on the highest bid for maximization of value during the entire process of sale i.e. till the time of offer for sale is issued by the Corporation'.

Item 12: Ex-post-facto approval for delegation of powers of ED to various Committee of Officers.

The Board discussed the agenda and accorded ex-post-facto approval for delegating powers of Executive Director to various Committees of Officers as notified vide office order No. A.1(4)5/84/Pt.II dated 16.6.2014, enclosed as Annexure-II to the agenda note.

Item 13: To accord ex-post-facto approval for payment of Bonus/ Ex- gratia and Monetary incentive.

The Board discussed the agenda and accorded ex-post-facto approval to office order No. A.1(7)361/87/Pt.IV dated 9.10.2014, enclosed as Annexure-I to the agenda note.

Item 14: To accord ex-post-facto approval for hiring services of retired personnel {Patwari and Inspector (land)} and AAO-I&II.

The Board discussed the agenda and accorded ex-post-facto approval to office order No. A. 1(8)415/Misc./2011- Part -II dated 7.10.2014 enclosed as Annexure-II to the agenda note.

Item 15: Approval of the Amended RIICO CSR Policy.

The Board noted the position brought out in the agenda note and accorded approval to the Amended RIICO CSR Policy, enclosed as Annexure to the agenda note.

Item 16: Regarding rate of allotment of other contiguous industrial areas nearby Boranda Industrial Park, Boranda (Erstwhile SEZ, Boranda).

The Board noted the position brought out in the agenda note and confirmed the decision taken by IDC vide item 6 of its meeting held on 6.8.2014.

Item 17: Case of Divya Moti Hotels & Resorts (P) Ltd., Jaipur.

The Board noted factual position and developments taken place in the captioned case subsequent to the meeting of the Board held on 15.7.2014, and directed that the requisite information / documents be collected from the Company, critically examined and position be placed before the Board.

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