

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

Minutes of : 4/2016 - Board Meeting

Venue : Udyog Bhawan, Jaipur.

Date : 21st December 2016

**Commencement/Completion
time of meeting** : 3.30 P.M. / 5.00 P.M.

Present :

Shri Umesh Kumar	Chairman & Managing Director
Shri Rajeeva Swarup	Principal Secretary SSI & Khadi
Shri Prem Singh Mehra	Principal Secretary Finance
Shri Ajitabh Sharma	Commissioner Industries
Dr. Tina Kumar	Commissioner (Inv. & NRI)
Shri Anoop Khinchi	MD RFC
Shri Raman Kumar Sharma	Independent Director
Shri Anil Bafna	Independent Director

Shri D.K. Sharma, Secretary was in attendance. Shri Sanjay Solanki, Financial Advisor/CFO; Shri Vijai Pal Singh, Advisor (Infra); Shri Gaurav Bajad, Advisor (A&M); Shri P.K. Khaitan, GM (Investment); Shri Rajan Kapoor, GM (CP); Shri R.K. Limba, AGM (F&A) and Shri Satyendra Bansal, AGM (Investment) were also present.

WELCOME TO THE DIRECTORS

The Board welcomed Dr. Tina Kumar and Shri Anoop Khinchi who attended the meeting of the Board for the first time after their appointments, and expressed hope that Board will be benefited with their association.

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

Item 1: To note minutes of the last meeting of the Board held on 29th August 2016.

The minutes of the meeting of Board held on 29th August 2016 were noted.

Item 2: Action Taken Report on the decisions of the previous meeting of the Board held on 29th August 2016.

The Board noted the position brought out in the agenda note. As regards, IT Enablement Project, it was directed that the implementation plan be put up before the Chairman. It was further directed that all payments and receipts be done in cashless mode on and after 1st January 2017.

Item 3: To note minutes of the last meeting of the Infrastructure Development Committee of the Board held on 4th October 2016.

The minutes of the meeting of Infrastructure Development Committee of the Board held on 4th October 2016 were noted.

Item 4: To note minutes of the last meeting of the Audit Committee of the Board held on 29th August 2016.

The minutes of the meeting of Audit Committee of the Board held on 29th August 2016 were noted.

Item 5: To note the appointment of Statutory Auditors of the Corporation for financial year 2016-17.

The Board noted appointment of M/s. Jain Shah & Company, Chartered Accountants, Jaipur as Statutory Auditors of the Corporation for financial year 2016-17.

Item 6: Appointment of MD of the Corporation.

In pursuance to provisions of article 94 of the Articles of the Association of the Company and subject to approval of shareholders in General Meeting, the Board accorded approval for the appointment of Shri Vaibhav Galriya (DIN- 03422896), as Managing Director on the

Board of Directors of the Corporation vice Shri Umesh Kumar with effect from the date of taking over charge, i.e., 6th September, 2016.

The Board further accorded its ex-post-facto approval for nomination of Shri Vaibhav Galriya, on the Board of the following associate companies/society, vice Shri Umesh Kumar:

- | | |
|---|----------|
| 1. Centre for Development of Stones | Chairman |
| 2. Rajasthan Electronics & Instruments Ltd. | Chairman |
| 3. Rajasthan Asset Management Company Pvt. Ltd. | Director |
| 4. Rajasthan Trustee Company Pvt. Ltd. | Director |

In pursuance to provisions of article 94 of the Articles of the Association of the Company and subject to approval of shareholders in General Meeting, the Board also accorded approval for appointment of Shri Umesh Kumar (DIN-01733695) as Managing Director of the Corporation in place of Shri Vaibhav Galriya, with effect from 7th November 2016.

The Board also accorded ex-post-facto approval for the appointment of Shri Umesh Kumar as Corporation's nominee on the Board of following assisted sector companies, vice Shri Vaibhav Galriya:

- | | |
|--|----------|
| 1. Rajasthan Electronics & Instruments Ltd. | Chairman |
| 2. Rajasthan Asset Management Company Pvt.Ltd. | Director |
| 3. Rajasthan Trustee Company Pvt. Ltd. | Director |

The Board was informed that the Industries (Gr.1) Department vide the order No. F.5(kh)(6) Udyog/1/70 dated 20.12.2016 had appointed Dr. Tina Kumar, Commissioner (Investment & NRI) and Shri Anoop Khinchi, Managing Director, RFC as directors on the Board of Directors of the Corporation vice Shri Vaibhav Galriya and Shri Maneesh Chauhan, respectively.

The Board noted the above appointments. The Board further placed on record its appreciation for the valuable guidance given by the outgoing directors during their tenure.

Item 7: Disclosure of interest by the Directors.

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

- | | | |
|----|----------------------|---|
| 1 | Smt. Aparna Arora | Notice dated 9 th September 2016. |
| 2. | Shri Vaibhav Galriya | Notice dated 26 th September 2016. |

Item 8: Transfer of Shares.

The Board noted the position and accorded approval for the transfer of three equity shares of the Company, in the names of the following transferees, w.e.f. the date of Government order, i.e.,4th September 2016:

S. No.	Name of Transferor	Name of Transferee	No. of Share	Distinctive No.
1	2	3	4	5
1.	Shri C.S. Rajan, Ex-Chairman,RIICO	Shri Umesh Kumar, Chairman, RIICO	1	2001
2.	Smt. Veenu Gupta, Ex-MD RIICO	Smt. Aparna Arora, Secretary Mines & Petroleum	1	801
3.	Shri Abhay Kumar, Ex-Commissioner Industries	Shri Ajitabh Sharma, Commissioner Industries	1	1601

The Board also authorized Secretary of the Corporation to endorse the share certificates in the name of above transferees.

Item 9: To note the resolution passed by circulation regarding hiring of residential accommodation for the Chairman.

The Board noted the following resolution passed by Circulation which shall be deemed to have been passed on 23rd November 2016:

RESOLUTION:

"RESOLVED that approval be and is hereby accorded for hiring accommodation for the Chairman of the Corporation on a monthly rent of Rs. 40,000/- per month, w.e.f. 1st December 2016"

Item 10: Approval of Cost Audit Report.

The Board discussed and accorded approval to the cost audit report along with annexure as submitted by M/s. K.G. Goyal and Company, Cost Auditor and authorized the Managing Director and Company Secretary to sign the same and file the report with the competent authority, on behalf of the company.

The Board directed that an analysis /findings of this report be placed before the Board in its next meeting. It was further directed that a briefing be done in respect to all the reports placed before the Board.

Item 11: Certificate of Legal Compliance for quarters ended on June 2016 and September 2016.

The Board took on record the Certificate of Legal Compliance, for the period from 1st April 2016 to 30th September 2016.

Item 12: Reconstitution of Audit Committee.

The Board discussed the agenda and in pursuance to provisions of section 177 of the Companies Act 2013, nominated Commissioner Industries as the Chairman and member of the Audit Committee vice Principal Secretary/Secretary (Mines & Petroleum), GoR.

Item 13: Issue of new Share Certificates in lieu of old Share Certificates consequent upon reduction of face value of equity shares of the Company from Rs. 1000/- to Rs.10/- each.

The Board discussed the agenda and accorded approval for issuance of 135 nos. new share certificates, in lieu of existing/old certificates, having face value of Rs.10/- with corresponding numbers of shares and distinctive numbers. The Board also authorized Managing Director and Commissioner Industries and the Secretary to sign, affix common seal of

the company and issue share certificates in the name of existing share holders, as per details in Annexure-A to the agenda note. The old share certificates shall accordingly stand extinguished/ cancelled.

Item 14: Financial Statement for Half Year ending on 30th September 2016.

The Board noted that Audit Committee has reviewed half yearly un-audited financial statement in its meeting held today at 1.00 P.M. After discussions, the Board took on record un-audited financial statement for the six months ended on 30th September 2016.

Item 15: Borrowing Powers.

The Board discussed the agenda and accorded approval to delegate powers of the Board to the Managing Director authorizing to borrow a sum not exceeding Rs.1000 crores, including interest accrued and due, to meet its working capital requirements from any bank/financial institution/development bank/NCRPB/other institution/agency and to exercise all the powers incidental and ancillary to avail short term credit facility. The Board adopted following Resolutions:

RESOLUTIONS:

"Pursuance to provisions of section 179 (3) & section 180(1) of the Companies Act 2013, RESOLVED that the Managing Director of the Corporation be and is hereby authorized to borrow a sum not exceeding Rs.1000 crores, including interest accrued and due, to meet corporations' working capital requirements from time to time, from any bank/financial institution/development bank/ NCRPB/other institution/ agency, etc and to exercise all the powers incidental and ancillary to avail short term credit facility, from time to time.

FURTHER RESOLVED that approval be and is hereby accorded for authorizing the Managing Director to:

- i) negotiate and approve terms with the Banks/Financial Institutions/Development Bank/ NCRPB/ Other Institutions/ Agencies etc., regarding rate of interest, amount of Line of Credit/Working

Capital Loan/Overdraft/CC Limit, security to be offered, tenure, terms and conditions, etc.

- ii) offer the assets of the company as mortgage and to create charge in favour of the lender to secure the loan and to get registered the charge with RoC/MCA.
- iii) approve all the requisite documents of such Loan, Line of Credit/Working Capital Loan/Overdraft/CC Limit.
- iv) authorizing the Financial Advisor/Secretary of the Corporation to sign all the requisite documents of such Loan, including acceptance of sanction, Line of Credit/Working Capital Loan/Overdraft/CC Limit, on behalf of the Corporation and to get registered the agreement/title deed/ simple or equitable mortgage deed etc. in the office of concerned Sub-Registrar.
- v) sign the papers of counter guarantee to be furnished to State Government for obtaining State Government guarantee, if any.

ALSO RESOLVED that Secretary of the Corporation be and is hereby authorized to sign and affix the common seal of the Corporation on the loan documents for availing referred credit facilities."

Item 16: Ex-post-facto approval for exercising the power delegated to M.D. by Advisor (A&M).

The Board discussed the agenda and accorded ex-post-facto approval that the powers delegated to Managing Director, as detailed in Annexure A to the agenda note, be exercised by Advisor (A&M), till the posting of Managing Director in the Corporation.

Item 17: Nomination of Independent Director on the Board of Rajasthan Electronics & Instruments Ltd. (REIL).

The Board discussed the agenda and accorded ex-post-facto approval for nomination of Shri M.L. Bhargawa, Ex-CGM RIICO, on the Board of Rajasthan Electronics & Instruments Ltd. (REIL), as an Independent Director, for 5 years w.e.f. 25th January 2016.

Item 18: Disinvestment of Equity by the State Government.

The Board discussed the agenda in detail and observed that since the State Government, being sole shareholder of the Company, by a budget

announcement for FY 2014-15 has resolved for divestment of 10-25% of Government's equity in the company and also directed that effective steps be taken for getting listed the shares on stock exchange.

In view of above, the Board authorized the Managing Director to take all necessary actions for the divestment of equity and listing of shares on stock exchange. Requisite approval of the Board may be taken wherever required.

Item 19: To note minutes of the last meeting of the CSR Committee held on 26th September 2016.

The minutes of the meeting of CSR Committee held on 26th September 2016 were noted.

Item 20: Ex-post-facto approval of the decision taken by the management to withdraw the additional demand of Rs.4.50 crores from Shri Vallabh Pittie Group of Industries for the land allotted at I/A Dhanodi, Distt.Jhalawar and for decision to write off the said amount from books of accounts.

The Board discussed the agenda and accorded approval to withdraw additional demand of Rs. 4.50 crore from Shri Vallabh Pittie Group of Industries and also accorded approval for writing off Rs. 4.50 crore in book of account.

Item 21: Review of existing structure of all committees headed by Managing Director and Executive Director.

The Board discussed the agenda and accorded approval to reconstitute various committees, as under, which were constituted from time to time under the provisions of the RIICO Disposal of Land Rule 1979. These Committees will be headed by the Managing Director:

S.No	Name of committee	Members	Scope of committee
1	Land Plan Committee (LPC)	Advisor (Infra), STP/DTP, concerned unit head	1. To approve change of land use of allotted plot for various purposes under rule 20-C. 2. To approve sub-division of large size plot under rule 17-

			<p>E.</p> <p>3. To consider and approve height of industrial building more than 15 mtr. as per project needs.</p> <p>4. To examine the proposal for permitting Plug and Play facility in the industrial plot.</p> <p>5. Relaxation in setbacks except front setback, of plots having area 20001 sqm to 50000 sqm. under rule 20-B</p>
2	Committee for approval of allotment of industrial plot in Special Economic Zone (SEZ) (LACSEZ)	Commissioner Industries or its representative, FA, Advisor (Infra), CGM (SEZ), GM (Civil) and concerned unit head	To approve allotment of land in SEZ subject to obtaining LoP (Letter of Permission) from DC, SEZ.
3	Land allotment (LAC)	Advisor (Infra), Advisor(A&M), FA,CGM (BP), CGM(EM), GM (Civil), Unit Head concerned	<p>1. Assessment of land area for reservation/ preferential allotment of land in upcoming industrial area under rule 3(AB) and for preferential allotment of land under rule 3(W) in existing area.</p> <p>2. Allotment of land to Private Developers for the purpose of development of IT Complex/Campus under rule 3(Y).</p> <p>3. Allotment of land for setting up private universities under</p>

			<p>rule 3(X).</p> <p>4. Allotment of land for group housing plots for creating residential facilities through private developers.</p> <p>5. Allotment of land for IT industries in IT Park/ designated IT Zones (Rule 3L)</p> <p>6. For waiver/reduction of interest/retention charges under rule 23-D-(i & ii).</p>
4	Fixation of reserve rate for auction and approval of single bids (RPFC)	FA, Advisor (Infra), Advisor (A&M)	To decide reserve rate of auction of non-industrial plots and also decide the cases wherein single bid is received in auction.

The Board noted that following agenda items were circulated at a notice period of less than seven days, therefore, all the Directors present in the meeting unanimously agreed to waive the minimum notice period requirement, take up these items for consideration and approved unanimously:

Item 22: Amendments in the RIICO CSR Policy.

The Board discussed the agenda and accorded approval for amendments in RIICO CSR Policy, as detailed in Annexure -C to the agenda note, as recommended by the CSR Committee.

Item 23: Procedure of appointment of Internal Auditors for financial year 2017-18.

The Board discussed the agenda and accorded approval for the following procedure for appointment of Internal Auditors:

1. Methodology for selection of Internal Auditors:

To call the bids/expression of interest from the interested Chartered accountants firms through a notice on RIICO's official website along with exhibiting on State Public Procurement in the month of March and ensure that the entire process of selection of the internal auditors for the ensuing financial year is complete in the month of April for appointment.

2. Pre-qualifications for appointment of Internal Auditor:

- i) Years of registration of firm should be at least 5 years.
- ii) Professional experience of firm in government department/ PSU's/Autonomous bodies should be at least 3 years.
- iii) Preference to be given to the local chartered accountant firms.
- iv) The firm should have adequate qualified Associated Chartered Accountant to ensure smooth discharge of the Corporation's internal audit assignment.
- v) All Chartered Accountant firms which have been assigned RIICO's Internal Audit work for 3 years or more continuously will be given one year cooling off period compulsorily. They will be eligible for re appointment after the cooling period and the same unit will not be assigned to them which they have already audited in the past.

3. Terms of reference/ Scope of work shall be based on the provision of the Companies Act 2013 as per annexure-A to the agenda note.

4. Assessment of work done by internal auditors:

Pending internal audit observations will be circulated to the concerned cells at head office and the decision of dropping / continuing the para should be taken on the recommendations of respective controlling officers at head office. In addition to this, the inputs of respective controlling officers will be gained regarding the quality of the work done by internal auditor.

In additional to this, departmental Audit Committee has been constituted vide office order no. A.1(8)384/17/2010-12 dated

26.05.2016. The same committee may assess the quality of the work done by internal auditors. Inputs and assistance to this committee may be provided by Internal Audit Cell.

The Board also suggested for prescribing a standard format of the Internal Auditor's report. The report/issue raised by the auditor is to be countersigned by the concerned unit head and to be replied in a time bound schedule. It was also suggested that a firm of Chartered Accountant be allotted 2-3 units located in the nearby areas/cluster/district so that the firm is better placed to provide professional service.

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