

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

Minutes of : 2/2019 - Board Meeting
Venue : Udyog Bhawan, Jaipur
Date : 27th June 2019
**Commencement/Completion
time of meeting** : 12.30 P.M. / 2.15 P.M.

Present :

Dr. Subodh Agarwal	ACS, Industries
Shri Sanjay Malhotra	Principal Secretary, Revenue
Shri Alok	Principal Secretary, MSME
Shri Krishna Kant Pathak	Commissioner Industries
Shri Gaurav Goyal	Managing Director, RIICO
Smt. Urmila Rajoria	Managing Director, RFC

Shri D.K. Sharma, Secretary was in attendance. Shri Ashok Pathak, Financial Advisor; Shri Rajendra Prasad Sharma, Advisor (A&M); Shri Pukhraj Sen, Advisor (Infra.); Shri R.K. Limba, GM (Finance); Shri M.L. Meena, GM (EM); Shri Lokesh Vijay, GM (BP) and Shri Giriwar Sharma, GM (Inv.) were also present.

CHAIRMAN OF MEETING

Shri Kuldeep Ranka, Chairman, was pre-occupied, therefore, could not attend the meeting. The members present requested Dr. Subodh Agarwal to chair the meeting.

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 Kuldeep Ranka, Shri Sudershan Sethi and Shri Niranjana Kumar Arya.

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

Item 1: To note the minutes of last meeting of the Board held on 29th March 2019.

The minutes of the meeting of Board held on 29th March 2019 were noted.

Item 2: Action Taken Report on the decisions of the previous meeting of the Board held on 29th March 2019.

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

Item 3: Minutes of the meeting of the Industrial Committee of the Board held on 23rd April 2019.

The Board noted the position.

Item 4: Disclosure of interest by 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 and Firms, which were read over in the meeting:

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|----|----------------------|---|
| 1. | Shri Kuldeep Ranka | Notice dated 11 th April 2019. |
| 2. | Shri Sudershan Sethi | Notice dated 2 nd May 2019. |
| 3. | Dr. Subodh Agarwal | Notice dated 30 th April 2019. |
| 4. | Shri Niranjana Arya | Notice dated 8 th April 2019. |
| 5. | Shri Sanjay Malhotra | Notice dated 29 th April 2019. |
| 6. | Shri Alok | Notice dated 15 th April 2019. |
| 7. | Shri K.K. Pathak | Notice dated 26 th April 2019. |
| 8. | Smt. Urmila Rajoria | Notice dated 25 th April 2019. |
| 9. | Shri Gaurav Goyal | Notice dated 11 th April 2019. |

Item 5: Certificate of Legal Compliance for quarter ended on 31st March 2019.

The Board taken on record the Certificate of Legal Compliance for the quarter ended on 31st March 2019.

Item 6: Appointment of Secretarial Auditor for the financial year 2018-19.

The Board discussed the agenda and adopted the following Resolution:

RESOLUTION:

“**RESOLVED** that approval be and is hereby accorded for the appointment of M/s. ARMS & Associates LLP, Company Secretaries, Jaipur, as Secretarial Auditors for conducting the secretarial audit of the Company for the year 2018-19, at a remuneration of Rs.1,18,000/- (Rupees one lac eighteen thousand) only, inclusive of GST and other duties”.

Item 7: Proposal for direct recruitment of manpower in CDOS and seeking permission of the State Government for the same.

The Board discussed the agenda and observed that two posts of Computer Operators, one post of Machine Operator and one post of Lab Assistant are required in Centre for Development of Stones (CDOS) on regular basis to ensure continuity.

In view of above, the Board decided to create these four posts in the Corporation, subject to approval of the State Government under the provisions of RAPSAR Act. The incumbent on the posts will be posted in CDOS from the Corporation, on long term deputation.

Item 8: Revision of Professional fees/remuneration of Tax Consultant.

The Board discussed the agenda and accorded approval for revision of fees for consultancy/specialized professional services of the Tax Consultant M/s. Kalani & Company, Chartered Accountants, Jaipur, for various cases of income tax matters with effect from 01.04.2019, as under :

Sr. No.	Particulars	Revised Fee w.e.f. 01.04.2019
A.	<u>Consultancy Service</u>	
1	Annual Retainer ship fee for Income Tax matters	Rs. 50,000/- for each year
B.	<u>Specialized Professional Service</u>	
1	Preparation and filing of Income Tax Return and its Assessment Proceedings or Reassessment Proceedings or Set aside assessment proceedings	Rs. 50,000/- per assessment

2	Appeal / Revision / Set aside with CIT (Appeals)/ CIT after effective date	Rs. 35,000/- per appeal
3	Appeal before ITAT after effective date	Rs. 50,000/- per appeal
4	Penalty proceedings	Rs. 15,000/- per proceeding
5	Rectification Proceedings u/s 154/155 of the Income Tax Act	Rs. 10,000/- per proceeding
C.	Office Expenses	10% of the fees on Parts A & B above

GST will be payable extra as per the prevailing rates.

The Board further authorized the Managing Director of the Corporation for future appointment of Tax Consultant/Specialized Professional Services, fixing of remuneration and deciding professional fees for incidental issues relating to Income Tax, GST and all other taxation matters.

Item 9: Empanelment of Internal Auditors for the Financial Year 2019-20.

The Board perused the minutes of the meeting of the constituted committee held on May 9, 2019 and accorded approval for the recommendations made by the committee as regards to eligibility criteria, scope of work, coverage, timelines for submission of report, etc., as per Annexure 'C' to the agenda note.

The Board further authorized the Managing Director to approve the revised tender documents accordingly.

Item10: Budget Estimates for Financial Year 2019-20 and Revised Estimates for Financial Year 2018-19.

The Board discussed the agenda and accorded approval to the Revised Budget Estimates for the year 2018-19 and Budget Estimates for the year 2019-20.

The Board advised that the budgeted estimates should be realistic, as far as possible. Wherever there is abnormal increase or decrease in any head, the same should be suitably explained.

Item 11: Modified Policy for e-auction of Assets of taken over units under SFC Act 1951 and SARFAESI Act, IBC 2016 or any other applicable Law/e-Auction of Building constructed by RIICO/Assets of possessed units through EO Court in RIICO Industrial Areas as well as Assets of other Departments.

The Board discussed the agenda and accorded approval to :

- i) the modified draft policy for e-Auction of Assets of taken over units, under SFC Act 1951, SARFAESI Act, 2002, IBC 2016 or any other applicable law, by the Corporation/e-Auction of Building constructed by RIICO/Assets of possessed units through EO Court in RIICO Industrial Areas as well as Assets of other Departments on the e-auction portal of the Corporation, as per e-Auction Rules/policy annexed at Annexure-4 of the agenda note;
- ii) authorize Managing Director to consider and approve amendments/relaxations in the Rules, terms and conditions of sale as well as the procedures as may be required in future on account of changes in GST or any other applicable Act(s) or any other changes in market conditions as well as amendments necessitated due to technology up-gradation in future or as may be deemed fit.

Item 12: Intimation of cancellation of selection process for procurement of Consultant for the project for Development of Land situated at Tonk Road, Jaipur.

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

Item 13: Contribution in State Renewal Fund from RIICO.

The Board discussed the agenda and accorded approval for making contribution of Rs. 180.00 lakhs in the State Renewal Fund for the financial years 2010-11 to 2018-19.

Item 14: Ex-post-facto approval for furnishing Bank Guarantee of Rs. 10 Crore on behalf of State Government to Department of Environment, GoR.

The Board discussed the agenda and accorded ex-post-facto approval for providing Performance Bank Guarantee of Rs. 10 Crore on behalf

of State Government to Department of Environment, Government of Rajasthan, for onward submission to Central Pollution Control Board.

Item 15: Status Note on Non-Performing Assets (NPA) in Realty Sector, financed by the Corporation.

The Board was informed that a Review Committee comprising of MD RIICO, MD RFC and CGM (Investment) was constituted by the Industrial Committee for overall review of the investment activity of the Corporation and the meeting of the Committee is scheduled for 1st July 2019. The findings of the Committee will be apprised to the Board in its next meeting.

The Board discussed the status note on the realty sector, took serious note of the blocked funds in the sector and directed that no further lending be made to this sector. Vigorous efforts & every possible legal actions be taken for recovery of the outstanding dues of the Corporation.

The Board further directed that a quarterly performance review on this sector be placed before the Board along with top ten defaulters accounts, in term of over dues.

Item 16: Status regarding VASTRA-2019.

The Board discussed the agenda and was of the opinion that for promotion of industries and industrial activities in the State, events like VASTRA should be regularly organized. As Finance Department, GoR, has also advised that the Corporation should consider to organize VASTRA, therefore, the Board advised that the event could be financed by RIICO and it should bear all the expenses relating to organizing the event.

The Board also authorized the Managing Director to take all requisite actions & accord approvals in the matter. A post event report shall be submitted before the Board.

The following agenda items, which were taken up with the permission of the Chair, and the unanimous consent of directors present in the meeting, were approved unanimously:

Item 17: Appointment of Project Management Consultant (PMC) for providing Project Management Unit (PMU) for implementation and overall management of project related to up-gradation of existing Common Effluent Treatment Plant at Bhiwadi and to assist RIICO/State Government for compliance of Hon'ble NGT directions and day-to-day management of environmental related issues.

The Board discussed the agenda. The Board was informed that Hon'ble NGT has directed the Corporation and the State Government to work out on the proposal for reuse of treated effluent generated out of CETP Bhiwadi. On the request of the State Government, for the purpose, a project of Rs. 146.00 Cr. has been sanctioned by Ministry of Finance, Department of Expenditure, GoI, and for its early implementation, the services of Project Management Consultant is required. It was further informed that numerous directions have been issued by Hon'ble NGT in various matters which requires a lot of compliances and execution thereof. Almost every aspect of environment and pollution control, such as, effluent treatment, recycle and reuse of treated effluent/domestic waste water, management and disposal of solid waste/hazardous waste/e-waste, development of solid waste landfill, plantation of trees etc. are being directly monitored by NGT. In view of above and to provide consultancy for effective and early implementation of upgradation of CETP at Bhiwadi, to assist RIICO/GoR for compliance of NGT directions, day to day management on environmental related issues, to provide technical know how to industries/SPV; a team of experts in the form of Project Management Unit (PMU) is required to be appointed for an initial term of 24 months, extendable for further duration by 50% i.e. 12 months, with due consent, if required. It is estimated that providing services of PMU, with envisaged man power, for a period of 24 months, may cost around Rs. 313 Lacs.

The Board after detailed discussions decided that the Corporation should engage the services of Project Management Consultant (PMC) for providing Project Management Unit (PMU) for implementation and overall management of project related to up-gradation of existing Common Effluent Treatment Plant at Bhiwadi and to assist RIICO/State Government for compliance of Hon'ble NGT directions and day-to-day management of environmental related issues. The Board accordingly accorded approval to the proposal.

The Board also authorized the Managing Director to take all further actions and issue requisite approvals as may be required in the matter for the appointment of PMC/PMU.

The Board further deliberated and decided to make amendments in delegation of powers and delegate the powers of the Board relating to appointment of consultants. After detailed discussions and looking to the requirements to hire the services of consultants in the Corporation, the Board delegated full powers to the Managing Director to finalize & approve Request for Proposal(RfP), invite bids and issue administrative & financial sanctions, decide any incidental matters in respect to appointment of Consultants, in future, as per the provisions of RTPP Act/Rules.

Item 18: Appointment of consultant to assist in development of Integrated Industrial Township in vicinity of 9 MMTPA Refinery cum Petrochemical Complex at Pachpadra, District Barmer, Rajasthan.

The Board was informed that in a review meeting held under the Chairmanship of Hon'ble Chief Minister, Rajasthan, it was observed that a large number of ancillary industries may come up on feed stock/raw material generated from the Petrochemical Complex, besides other supports and engineering service industries required during refinery construction and operation. In an another meeting held under the Chairmanship of ACS Industries, emphasis was also given on setting up of Integrated Industrial Township and it was decided that a Consultant may be engaged to look at various aspects relating to development of Integrated Industrial Township. The consultancy work is likely to cost Rs. 7.00 cr. to Rs.8.50 cr. plus

applicable taxes as per the envisaged broad scope of work of assignment given in the agenda note.

The Board after discussions accorded approval to:

- i) the proposal for establishment of Integrated Industrial Township in vicinity of 9 MMTPA Refinery-cum-Petrochemical Complex at Pachpadra, District Barmer, Rajasthan.
- ii) engage a Consultant to assist in development of said Integrated Industrial Township.
- iii) authorize the Managing Director to finalize, approve and upload the Request for Proposal (RFP) document for appointment of consultant for said Integrated Industrial Township and also to invite bids.
- iv) authorize the Managing Director to decide any incidental matters in relation of this work.

Item 19: Policy decision with respect to purchase of private agriculture land through negotiation from the khatedars particularly left out khasras of industrial areas.

The Board discussed the agenda and observed that keeping in view the state amendments already made in the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (Central Act) by other States such as Telangana, Andhra Pradesh, Gujarat and Maharashtra, suggesting suitable state amendments in Section 46 of the Act of 2013 in context of Rajasthan appears appropriate. The Board, therefore, accorded approval to suggest said amendment to the Revenue Department through Administrative Department. The Managing Director is also authorized to suggest suitable amendments or addition in section 10, 23, 24(2), 31, 40 & 87 of the Central Act of 2013, on lines of state amendments already made by other states.

GENERAL OBSERVATIONS

1. A brief presentation, on the comparative position of number of plots allotted during previous two financial years (i.e. 2017-18 and 2018-19) vis-à-vis achievements during the first quarter of current financial year 2019-20, and development & maintenance works planned and sanctioned

in May/June 2019, was made before the Board. It was observed that the average allotment of the plots each quarter during the previous years, 2017-18 and 2018-19, were 83 Nos. and 79 Nos., respectively, whereas during the first quarter of the current financial year it has reached to whopping 109 Noms. including plots which are under auction process. It is expected that this alone would generate sale revenue of Rs. 160 Cr., as against projected annual revenue of Rs. 568.10 Lacs during the entire F.Y 2019-20.

As regards development and maintenance works of road, drains, plantations, etc., the Board was informed that 123 Nos. of works involving expenditure of Rs. 96.19 Cr., spread over 86 Industrial Areas in 23 Districts have been planned & sanctioned in May/June 2019.

The Board, while appreciating the initiative, suggested that the Corporation should enhance expenditure on development & maintenance of existing and old Industrial Areas which will not only appreciate the valuation of stock of land, save the income tax but would also go a long way in attracting investment in the State and improving goodwill of RIICO.

2. The Board also directed that a quarterly performance review on the activities of the Corporation be put up before the Board after close of every quarter. Further, a summary of annual performance be also placed before the Board after close of every financial year.

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

CHAIRMAN