

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

Minutes of : 1/2016 - Board Meeting
Venue : Udyog Bhawan, Jaipur.
Date : 29th March 2016
**Commencement/Completion
time of meeting** : 11.00 A.M. / 1.15 P.M.

Present :

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| Shri C. S. Rajan | Chairman |
| Shri Rajeeva Swarup | Principal Secretary SSI & Khadi |
| Smt. Veenu Gupta | MD, RIICO |
| Shri Abhay Kumar, | Commissioner Industries. |
| Shri Alok | Secretary Revenue |
| Shri Maneesh Chauhan | MD RFC |
| Shri Anil Bafna | Independent Director |

All the above directors were present throughout the meeting.

Special Invitees:

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| Shri Shikhar Agrawal | Commissioner, JDA |
| Shri Pradeep Kapoor | Addl. CTP, UDH, GoR |
| Smt. Lavang Sharma | Director (TP) JDA |

Shri D.K. Sharma, Secretary was in attendance. Shri Sanjay Solanki, Financial Advisor/CFO, Shri Lalit Kumar, Advisor (Infra.); Shri Anil Sharma, CGM (BP); Shri M.K. Nathuramka, CGM(Inv.); Shri P.K. Khaitan, GM (Inv.) and Shri Rajan Kapoor, GM (SP) were also present.

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

Item 1: Confirmation of minutes of the last meeting of the Board held on 30th December, 2015.

The minutes of the meeting of Board held on 30th December 2015 were confirmed.

Item 2: Action Taken Report on the decisions of the previous meeting of the Board held on 30th December 2015.

The Board noted the position brought out in the agenda note. The Board directed that no further ATR be given in respect to contribution to be made to Initial Corpus of Rajasthan Cultural Fund as further requisite action is to be taken by Department of Tourism, Art and Culture, GoR. A presentation on live demo of nine units of which in-house roll-out is completed could not be done due to paucity of time.

Item 3: Minutes of the meetings of the Infrastructure Development Committee of the Board held on 17th December 2015 and 13th February 2016.

The Board noted the position.

Item 4: Minutes of the meeting of the Working Committee of the Board held on 1st February, 2016.

The Board noted the position.

Item 5: Minutes of the meeting of the Corporate Social Responsibility (CSR) Committee of the Board held on 10th December 2015.

The Board noted the position.

Item 6: Appointment of Shri Vaibhav Galriya, Commissioner (Inv. & NRIs), GoR, as Director.

The Board noted the appointment of Shri Vaibhav Galriya, Commissioner (Inv. & NRIs), GoR, as director on the Board of the Corporation, in place of Dr. Samit Sharma, with effect from 26th February 2016, made by the State Government Industries (Gr.I) Department vide order dated 26th February, 2016.

Item 7: Disclosure of interest by a director.

The Board noted interest disclosure made by Shri Vaibhav Galriya vide notice dated 9th March 2016 pursuant to Section 184(1) of the

Companies Act, 2013 read with the relevant rule 9(1), which was read over in the meeting.

Item 8: Certificate of Legal Compliances of various Acts applicable to the Corporation for the quarters ending on September 2015 and December 2015.

The Board taken on record the Certificate of Legal Compliance, for the quarters ending on 30th September 2015 and 31st December 2015.

Item 9: Progress Report of New Schemes for Financial Assistance launched by the Corporation.

The Board noted the position brought out in the agenda note. The Board directed that wide publicity of these schemes be further undertaken to attract potential borrowers. It was also pointed out that RREC and 3-4 joint sector companies in this sector have signed MOUs for setting up of solar parks/projects in the state. In order to attract business, the Corporation should adopt a targeted approach and have a meeting with RREC and the JV players to explore business in this sector.

Item 10: Ex-post-facto approval for creation of one post of Executive Director (DMIC) in RIICO in the Running Pay Band of (PB-4) 37400-67000+GP 8700 from 28.02.2014 to 31.08.2015.

The Board discussed the agenda and accorded ex-post-facto approval for creation of one post of Executive Director (DMIC) in RIICO in the Running Pay Band of (PB-4) 37400-67000+GP 8700 from 28.02.2014 to 31.08.2015.

Item 11: Income Recognition, Asset Classification and Provisioning pertaining to advances made by the Corporation.

The Board discussed the agenda and accorded approval for continuing to follow the norms applicable to NBFC, as being followed in the past, in respect to Income Recognition, Asset Classification and Provisioning pertaining to advances made by the Corporation.

Item 12: Extension of lease period of Software Technology Parks of India (STPI), an Autonomous Society of Department of Electronics, GoI, for another 25 years.

The Board noted the position brought out in the agenda note. The Board was informed that as per rules, lease period may be extended on mutually agreed conditions. The Board accorded approval for extension of lease period of STPI for another 25 years, i.e. from 11.03.2023 to 10.03.2048, on the following conditions :

1. STPI should have to pay prevailing Economic Rent to the Corporation (as decided by the Corporation from time to time) during the extended period of lease from 11.03.2023 to 10.03.2048 in place of existing lease rent i.e. Rs. 1/- per annum.
2. STPI shall execute lease agreement and get it registered with the concerned authorities at its own cost within 60 days from the date of issuance of approval letter.
3. STPI shall obtain all requisite licenses/permissions/NOCs from respective department /authorities, if required, at its own level.
4. The other terms & conditions of the allotment letter dated 11.3.98 shall remain unchanged.

Item 13: Appointment of Tax Auditors u/s. 44 AB of the Income Tax Act for Financial Year 2015-16.

The Board discussed the agenda and appointed M/s S.L. Gangwal & Co. Chartered Accountants, Jaipur as Tax Auditors for Financial Year 2015-16 at the same fee structure, as approved for earlier financial year, i.e. at a fee of Rs. 90,000/- plus service tax for Tax Audit and a fee of Rs. 5000/- plus service tax for every audit report/certificate 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 of Rs. 4.50 lacs and additional fee of Rs. 1,000/- plus service tax per certificate for online uploading of Tax Audit Report and 80 IA certificates for the profit making industrial areas.

Item 14: Financial Statements for nine months ending on 31st December 2015.

The Board noted that the Audit Committee in its meeting held on 17th March 2016 has reviewed nine months un-audited financial

statements. After discussions, the Board took on record un-audited financial statements for the nine months ended on 31st December 2015.

Item 15: Budget Estimates for FY 2016-17 and revised estimates for FY 2015-16.

The Board discussed the agenda and accorded approval for the Revised Budget Estimates for FY 2015-16 and Budget Estimates for the year 2016-17.

Item 16: Obtaining 'Undertaking' in respect of service tax paid/to be paid by the Corporation against demand including interest and penalty in respect of allotment of land and other liability.

The Board discussed the agenda and observed that all allottees have to be treated at par, in obtaining 'undertaking' in respect of Service tax paid/to be paid by the Corporation against demand including interest and penalty in respect of allotment of land and other liability.

Item 17: Case of Bhumika Enterprises Pvt. Ltd., Plot No. F-210 to F-223 in I/A Sukher, Udaipur for providing relaxation in the building parameters applicable for Commercial use.

The Board noted the agenda and discussed the proposal mentioned therein. The Board was informed that the Building Bye-laws applicable for non-industrial building framed by the State Government have been adopted by the Corporation for its industrial areas. However, maximum permissible height for non-industrial buildings is restricted upto 30 meters in RIICO industrial areas under these rules. It was also apprised that by following permissible limit of maximum ground coverage of 35% and maximum height of 30 meters in the instant case, 3 FAR cannot be achieved by the applicant company. Hence, certain relaxations are required.

To better understand the technical aspects of the matter, Additional Chief Town Planner, UDH Department, GoR was requested to give his opinion. He informed that though there is already provision for allowing ground coverage upto 40% of land area and height may be allowed depending upon width of the approach road and front set-back but competent authority for allowing height beyond prescribed limit of 30 meters and beyond 35% ground coverage is the State Government.

He was of the opinion that requisite relaxation can be given in this case.

After detailed deliberation and considering the decision taken at the level of Cabinet, the Board accorded following approvals:

1. Approval of in principal consent of the Management given earlier in the matter.
2. Granting 50% relaxation in the applicable conversion charges.
3. Allowing 3(three) FAR subject to payment of betterment levy as per rules.
4. Relaxing the limit of maximum permissible ground coverage from 35% to 40% of plot area, subject to payment of betterment levy as per rules and also subject to approval of the State Government.
5. Relaxing the maximum permissible height of building i.e., from 30 meters to 50 meters, subject to approval of the State Government.

Item 18: A project for Development of “Gemstone & IT Hub” on Public Private Partnership Basis.

A presentation was made before the Board. The Board was informed that as per the existing Master Plan, the land use is residential and JDA has already been approached to reinstate the use of land for industrial purpose as was in the Master Plan of 2011. The Board discussed the agenda and observed that only a few chunks of land are available at prime locations in Jaipur, and therefore, optimum utilization of land is crucial. The Board was of the view that a reputed consulting firm should be engaged to suggest optimal and best use of land based on market survey, revenue potential, and alternative models/phasing for development in the backdrop of the purpose of acquisition of land, all applicable/RIICO rules, judicial rulings, etc. The consultant should also suggest possible methods of structuring the project. Detailed Terms of Reference should be worked out by RIICO which should also have an element of Success Fee for the consultant on successful award/bidding out of the project. The findings be then presented at appropriate level in the State Government.

Item 19: Guidelines for Establishment of New Industrial Areas through participation of Private Sector.

A presentation was made before the Board. After detailed discussions, the Board accorded approval to the Guidelines for establishment of

new industrial areas through participation of private sector. However, the aspect of sub-lessee of RIICO subsequently sub-leasing land be first got ascertained from Revenue Department as Secretary Revenue had some observations about it.

Item 20: Request of the authorizee for time extension for completion of Minimum Development Obligations (MDOs) and waiver of compensation for delay in execution thereof.

The Board discussed the agenda and deferred consideration of the same with a note that competent authority to allow time extension in the instant case be first got legally examined.

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

Item 21: Acquisition of Land for KBNIR and its funding.

The Board discussed the agenda and made the observations that the latent associated risk in availing loan could cause certain long lasting and irreversible setback to the Corporation and hence, a firm and documented commitment by the State Government to RIICO for servicing of loan and other related eventualities may be obtained. Also, the Corporation needs to be compensated for its efforts in acquisition of land for KBNIR project, raising of funds from HUDCO for payment of land compensation, etc.

Against the backdrop, the Board decided that the State Government be requested to facilitate an appropriately documented mechanism with binding arrangement by way of allowing RIICO to use land in the event of delay in execution of project and/or any other mechanism for insulating RIICO against any setback that may arise eventually e.g. delay in implementation.

The Board also felt that DMIC Department should seek greater clarity on the issue of change of land i.e. whether the acquired land will remain with RDA or will be transferred to SPV and if so, on what terms and conditions. It was also felt that Finance Department may be requested to consider transfer of counter guarantee to RDA as and when the loan liabilities are shifted.

It was also decided that a meeting may be convened at the level of Chief Secretary with the all the stakeholders to deliberate on the issues raised in the meeting.

The Board also accorded ex-post-facto approval for applying to HUDCO for loan of Rs. 500 crore to acquire land measuring 532.30 acre in 5 villages (Lamachpur, Mirzapur, Beerod, Manka and Palawa) for the project of KBNIR. The terms and conditions of sanction of loan by HUDCO be put up for consideration and approval of the Board prior to execution of the loan documents.

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

CHAIRMAN

Date: 12.04.2016

Place: Jaipur.