

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

MINUTES OF : **Board meeting**
VENUE : **Udyog Bhawan, Jaipur**
DATE & TIME : **26th April 2012 at 4.30 P.M.**

PRESENT :

Dr. Purushottam Agarwal	Commissioner (Inv. & NRI)
Dr. Govind Sharma	Principal Secretary Finance
Shri Yaduvendra Mathur	CMD RFC
Shri Sudhansh Pant	Secretary Mines & Petroleum
Shri Kuldeep Ranka	Commissioner, Jaipur Development Authority
Shri Rajendra Bhanawat	Managing Director

Shri D.K. Sharma, Secretary was in attendance. Mrs. Aparna Sahay, Financial Advisor, Mrs. Urmila Rajoria, Advisor (A&M), Shri M.L. Meena, ACE and Shri Madhvendra Verma, Sr. DGM were also present.

LEAVE OF ABSENCE

The Board granted leave of absence to Shri Sunil Arora, Shri Rajhans Upadhyay and Shri Naresh Pal Gangwar.

CHAIRMAN OF THE MEETING

Since the Chairman was out of town, the members elected Dr. Purushottam Agarwal to chair the meeting.

WELCOME OF THE DIRECTORS

At the outset, the Board welcomed Shri Sudhansh Pant and Shri Kuldeep Ranka on their nomination on the Board of the Company and expressed the hope that the Board will be benefitted with their knowledge and experience.

Item 1: Confirmation of minutes of the meeting of the Board held on 09.03.2012.

The minutes of the meeting of the Board held on 9th March 2012 were confirmed and signed by the Chairman of the meeting.

Item 2: Review of the action taken on the decisions of the previous meeting of the Board held on 09.03.2012.

The Board noted the position.

Item 3: Minutes of the meeting of the Infrastructure Development Committee of the Board held on 9th March 2012.

The Board noted the position.

Item 4: Appointment of Director.

The Board noted the appointment of Shri Sudhansh Pant, Secretary Mines & Petroleum, Government of Rajasthan, Jaipur, as director on the Board of Directors of the Corporation w.e.f. 26th March 2012. The Board also noted that Dr. Govind Sharma, Principal Secretary Finance has further been appointed as director in place of Shri Abhay Kumar.

Item 5: Disclosure of Interest by the Director.

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

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

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| 1. Shri Sunil Arora. | Notice dated 2 nd April 2012. |
| 2. Shri Rajhans Upadhyay | Notice dated 21 st March 2012. |
| 3. Dr. Purushottam Agarwal | Notice dated 30 th March 2012. |
| 4. Dr. Govind Sharma | Notice dated 22 nd March 2012. |
| 5. Shri Yaduvendra Mathur | Notice dated 26 th March 2012. |
| 6. Shri Sudhansh Pant | Notice dated 13 th April 2012. |
| 7. Shri Kuldeep Ranka | Notice dated 23 rd March 2012. |
| 8. Shri Naresh Pal Gangwar | Notice dated 28 th March 2012. |
| 9. Shri Rajendra Bhanawat | Notice dated 2 nd April 2012.” |

Item 6: Proposal for Amendment in Rule 6 of RIICO (Classification, Disciplinary Action & Appeal) Rules, 1979.

The Board discussed the agenda and accorded approval for amendment in Rule 6 of RIICO (Classification, Disciplinary Action & Appeal) Rules, 1979, by inserting following new proviso as 6(a) below existing rule 6:

“Rule 6(a) – The Chairman will be the appellate authority against the decision taken by the Managing Director being a disciplinary authority. However, where the orders have been issued by CMD then the appeals will be decided by the Working Committee/Board of Directors as per existing provisions.”

Item 7: To grant benefits of Vth Pay Commission to the employees of Watch Assembly Unit, Ajmer in compliance of court order.

The Board discussed the agenda and, in order to abide the award of Court dated 15.11.2003, accorded approval to allow benefits of Vth Pay

Commission to the employees of Watch Assembly Unit (WAU), Ajmer (as per Annexure-1 to the agenda note) thereby revising the than existing pay scale of WAU at par with employees of RIICO under the provisions of RIICO Employees Services (Revised Pay Scale) Rules, 1998. Accordingly, arrear shall be paid from 01.01.97 to 23.01.01, i.e. up to the date of closure of factory.

Item 8: Appointment of Tax Auditors under section 44AB of the Income Tax Act for the Financial Year – 2011-12.

The Board discussed the agenda and accorded approval for the appointment of M/s. S. Singhal & Co., Chartered Accountants, Jaipur as Tax Auditors at remuneration of Rs.60,000/- plus Service Tax for Tax Audit and a fee of Rs.5000/- plus Service Tax for every certificate required to be obtained for Income Tax Exemption under section 80 IA. However, total fee for certification under section 80IA shall be limited to Statutory Audit Fee for the year which is Rs.3.00 lacs as on date.

Item 9: Budget Estimates for the year 2012-13 and the Revised Estimates for the year 2011-12.

The Board discussed the agenda and accorded approval for the Revised Budget Estimates for the year 2011-12 and Budget Estimates for the year 2012-13. The Board directed that the term 'Loan from Banks' used in cash flow statement be substituted with the term 'Market borrowings'.

Item 10: Land pricing policy of the Corporation.

The Board viewed the presentation and also discussed the recommendations made by the Sub-group on the captioned subject. After detailed discussions, the Board adopted following recommendations:

1. Revision in the development charges (DC) be done on the basis of prevailing DLC rate, market rate and the last auction rate of the area/area in close proximity. The revision in DC shall normally be done annually.
2. Development charges for backward/slow moving/tribal/no industry district be crossed subsidized. Govt./Charagah land is allotted to the Corporation at 25% of the DLC rate. In order to create corpus for cross subsidization, full cost of Govt./Charagah land be taken while computing the D.C. of such industrial area.
3. In the background that Karnataka and Haryana SIDC are adding about 27% and 112% respectively on the direct cost towards various provisions, overheads, interest etc., whereas Corporation is adding about 41% on these accounts on the direct development cost; the price fixation model adopted by the Corporation was considered as workable.

4. A policy decision to fix rate of development charges for contiguous industrial areas has already been taken by IDC. In case of area in close proximity of an existing industrial area and similarly situated areas, the pricing should be done on the principle of 'Land similarly situated to be similarly priced'.
5. The existing cost structure (Development Scheme) of an industrial area vis-a-vis method adopted to work out the DC for the first time was found in order, and continued to be followed except that interest on capital during construction period be charged for a maximum period of 24 months. All efforts be made to complete all development works within the prescribed period.
6. All the development works, as envisaged in the original scheme of an industrial area, should be completed. Revision in the existing Administrative Sanction should be considered only when improvement in infrastructure on account of changes in the layout plan is required. Wherever new development works in the existing industrial area are to be taken up, a new AS should be issued instead of revision in existing AS.

Item 11: Revamping the organization.

A power point presentation was made before the Board of Directors on revamping the organization covered in the report of the Consultant, M/s. Ma foi Consulting Solutions Ltd. and evaluation report of the constituted in-house committee thereon. The presentation covered particularly two major points of the report, i.e., assessment on organizational structure and other requirements like skill development, training, recruitment procedure etc. Presentation on first part could only be completed due to paucity of time. Accordingly, the following observations/comments/suggestions had emerged from the Board of Directors during the presentation:

1. Infra Divisional offices as proposed to be created in the Head Office in the in-house committee's recommendations was not considered to be effective. It was suggested that firstly the utility of creating the Divisional Offices be assessed vis-s-vis functional improvement and other related aspects. If at all it is assessed to be useful than these offices should be located in the field.
2. To rename the Infra Division as Estate Management Division and Technical Cell as Infrastructure Division.
3. While apprising recommendations on revised manpower strength containing creation, abolition and up-gradation of various posts, the Board opined that the proposal on this issue may be co-related with vision of the Corporation for the next 10 years on development of new Estates, Financing activity, diversification of Portfolio, DMIC, etc.
4. The present vacant posts be filled-up immediately.

5. Justifications and necessity to increase officers in civil wing with full details be given besides phasing out of 408 posts.
6. Next presentation on the subject should also contain details regarding role model of unit offices and various cells at HO, numbers and name of services to be taken through agency etc.
7. The remaining topics as enumerated above along with inclusion of above observations shall be discussed in the next meeting of the Board for taking a final view in the matter.

With the permission of the chair, following agenda item was taken up for consideration:

Item 12: Approval for hiring of Taxi Vehicles & relaxation for hiring of Taxi AC Vehicles for Officers.

The Board discussed the agenda and accorded approval as under:

1. Officers who have been extended with the facilities to hire non-AC vehicles on monthly basis be allowed to hire AC Taxi w.e.f. 1.5.2012.
2. The officers of the rank of DGM and above be provided with hired AC Taxi for tour outside Jaipur.
3. Hiring of taxi vehicles for Jaipur South (Hq. Dausa) and Sawaimadhopur (Hq. Hindaun) for the period from 1.5.2012 to 31.3.2013.
4. Hiring of 17 taxi vehicles at Head Office and 28 taxi vehicles at unit offices on monthly basis for the period from 1.4.2012 to 31.3.2013.

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