

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

Minutes of : 3/2017 - Board Meeting
Venue : Udyog Bhawan, Jaipur
Date : 19th September 2017
**Commencement/Completion
time of meeting** : 3.00 P.M. / 4.00P.M.

Present :

Shri Rajeeva Swarup	Chairman
Shri Devendra Bhushan Gupta	Additional Chief Secretary Finance
Shri Khemraj Chaudhary	Additional Chief Secretary Revenue
Dr. Subodh Agarwal	Principal Secretary MSME
Smt. Aparna Arora	Principal Secretary Mines & Petroleum
Ms. Mugdha Sinha	MD, RIICO
Dr. Tina Soni	Commissioner (Inv. & NRI)
Shri Anoop Khinchi	MD, RFC
Shri Anil Bafna	Independent Director

All the above Directors were present throughout the meeting. The Board granted leave of absence to Shri Kunji Lal Meena and Shri Raman Kumar Sharma.

Shri D.K. Sharma, Secretary was in attendance. Shri Vijay Pal Singh, Advisor (Infra.), Ms. Anupama Sharma, Financial Advisor; Shri Anil Sharma, CGM (BP); Shri Rajan Kapoor, GM(SP); Shri R.K. Limba, AGM (Finance) and Shri Anoop Mathur, AGM(BP) were also present.

WELCOME OF DIRECTORS

At the outset, the Board welcomed Shri Devendra Bhushan Gupta, Additional Chief Secretary Finance and Shri Khemraj Chaudhary, Additional Chief Secretary Revenue, who attended meeting of the Board of Directors for the first time, after their appointment as director on the Board. The Board expressed hope that it 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.

The Directors pointed out that although notice for convening the Board Meeting was issued well in advance, on 5th September 2017, however, the agenda notes for the same were circulated on 14th September 2017. It was also observed that the provisions of the Companies Act read with Secretarial Standards inter-alia

provides that notice as well as agenda notes be issued/circulated at least seven days before the date of the meeting. The Directors, given their preoccupation, need adequate time to examine or study the agenda notes prior to attending the Board meeting.

Given the position of the Act, and also the concern expressed by the Board, it was directed that in future the notice as well as the agenda notes be issued/circulated well in advance and at least seven days before the date of the meeting, unless there are exceptional reasons, in which case the same may be explained in the meeting.

In the present case, on asking for clarification for delay in circulation of the agenda notes, the Secretary informed that agenda notes are provided to the Secretary Cell by the respective Controlling Officers, which are sometime not received in time. The agenda notes are then compiled and put up to the MD for approval before circulation. The Secretary explained the reasons for circulation of agenda notes at a shorter notice for this meeting and also requested the Board to condone the delay for circulating agenda notes at a notice of less than seven days. The Directors present in the meeting unanimously agreed to waive the minimum time period required for circulating the agenda notes and took up the items for consideration.

Item 1: Re-Appointment of Shri Anil Bafna and Shri Raman Kumar Sharma as Independent Directors.

The Board discussed the agenda and noted the re-appointment of Shri Anil Bafna and Shri Raman Kumar Sharma, as Independent Directors of the Corporation, with effect from 14th May 2017 for second consecutive terms of two years, subject to passing of a Special Resolution by the Company in General Meeting.

The Board adopted the following Resolution:

“RESOLVED that pursuant to the provisions of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule-IV to the Companies Act, 2013, and subject to shareholders’ approval; the Board noted the re-appointment of Mr. Raman Kumar Sharma (DIN No.01381382) and Mr. Anil Bafna (DIN No.01051948), as Independent Directors, for the second consecutive term of two years with effect from 14th May 2017, made by the state government vide their order dated 11th August 2017, and that they shall not be liable to retire by rotation”.

Item 2: Minutes of the last meeting of the Board held on 29th June 2017.

The minutes of the meeting of Board held on 29th June 2017 were noted.

Item 3: Action Taken Report on the decisions of the previous meeting of the Board held on 29th June 2017.

The Board expressed its unhappiness with the Action Taken Report submitted. It expressed deep concern that the Board decisions are not being implemented for up to 6 months. The status in respect of most decisions of the Board in the meeting held on 30th March, 2017 remained the same. In its meeting held on June 29th, 2017, it was directed that action be completed before the next Board meeting. However, almost none of those decisions were implemented. The Board was not satisfied at the explanations given, which remained the same as in the Board meeting held on 29th June, 2017. It seems that adequate attention is not being paid to the important issues pertaining to developmental issues of the Corporation. The agenda items submitted both in the meeting held on June 29th, 2017 and September 19th, 2017 are routine and the management has not proposed any important agenda item in the last 6 months.

The explanation given by the MD that for implementation of some of the decisions taken earlier by the Board, certain clarifications / guidance were required from the Board, and, hence, further action was not done, was not appreciated by the Board. Since Board meetings are generally held once in three months, it implies that decisions of the Board would be staggered over months before being implemented. The Board directed that in such cases, either where some clarification was required or some important issue arises requiring Board decision, the matter be submitted to the Chairman. The Chairman would decide in all such cases whether a clarification is provided at his level or reference made to the Administrative Department, or whether to seek decision by the Board through circulation or meeting or ex post facto approval, and the management shall proceed accordingly. It was also reiterated for strict compliance that for any other matter where a query is sought from the State Government, the Corporation would do so only through the Administrative Department and not directly or indirectly with any other Department.

It was also clarified that a presentation, on any issue made in a meeting, in respect of any item where a decision of the Board is sought, is only a

supportive tool to explain the subject matter and / or the issues entailed and is not a substitute for a clearly spelt-out agenda note.

The Board made following specific observations in respect to these items:

1. **Acquisition of land for KBNIR and its funding:** The Board was informed that proposal for availing loan of Rs. 500 cr. from HUDCO has been dropped. No further ATR on this item is required.
2. **Guidelines for Establishment of New Industrial Areas through participation of Private Sector:** It is 6 months since the matter is pending implementation. In the last Board meeting it had been directed that immediate further necessary action be initiated and the progress be put up in the next meeting. However, no work was done in this regard. MD informed that certain issues needed clarification, but no agenda note in this regard was submitted to the Directors in respect of the issues and clarification sought. Hence the matter was not taken up for consideration.
3. **"Development of Land situated at Tonk Road, Jaipur" on PPP basis:** It is more than 6 months since the matter is pending implementation. In the last Board meeting it had been directed that the procurement document be issued within 3 weeks and the progress be placed before the Board. Despite 10 weeks, this was not done. MD informed that certain issues needed clarification, but no agenda note in this regard has been submitted to the Directors in respect of the issues and clarification sought. Hence the matter was not taken up for consideration.
4. **Draft policy for allotment of undeveloped land:** The Board, in its meeting held on 30th March 2017 had directed that a Policy be put up before the Board for consideration. However, in spite of a period of almost 6 months, no such draft has been submitted, and the compliance report remains the same as submitted in the earlier meeting held on June 29th, 2017. The Board observed that there is no reason why a policy cannot be prepared within a period as long as six months. It was directed that the Policy be now prepared within a period of two months and be put up before the Board.
5. **To frame draft rules and procedures for issuing NOC to the applicants under provisions IC(i) & (ii) of the Chief Minister's Jan Awas Yojna-2015:** The Board observed that it was strange that an

agenda on the subject is now proposed to be placed on the table for consideration of the Board. The agenda item submitted by the management at the last meeting of the Board held on June 29th 2017, and got approved, was to authorize the MD to frame the draft rules and the procedures to be incorporated in the RIICO Disposal of Land Rules 1979 and seek approval from the IDC. Two meetings of IDC have already been held after that Board meeting, on 19th July 2017 and 29th August 2017 respectively, but the matter was not placed before the IDC. This inordinate delay in implementing a Cabinet decision was neither appreciated nor justified. The Board expressed its unhappiness to the MD. The agenda be placed before the IDC as per the earlier decision sought from the Board.

Item 4: Minutes of the meeting of the Infrastructure Development Committee of the Board held on 19th July 2017.

Minutes of the meeting of the Infrastructure Development Committee of the Board held on 19th July 2017, were noted.

Item 5: Appointment of Directors on the Board of the Corporation.

The Board noted the resignation tendered by Shri Prem Singh Mehra, Ex-Principal Secretary Finance from the Board of Directors of the Corporation, with effect from 4th July 2017, and appointment of Shri Devendra Bhushan Gupta, Additional Chief Secretary Finance, GoR, as director with effect from 28th July 2017. The Board further noted appointment of Shri Khemraj Chaudhary, Additional Chief Secretary Revenue, GoR, as director, in place of Shri Alok, with effect from 28th July 2017.

The Board placed on record its sincere appreciation for the valuable contribution made by outgoing directors during their tenure on the Board of the Corporation.

Item 6: Disclosure of interest by the Directors.

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

1. Shri Rajeeva Swarup Notice dated 6th July 2017.

2. Shri Devendra Bhushan Gupta Notice Dated 31st July 2017.
3. Shri Khemraj Chaudhary Notice dated 3rd August 2017.

Item 7: Certificate of Legal Compliance for quarter ended on 30th June 2017.

The Board took on record the Certificate of Legal Compliance, for quarter ended on 30th June 2017.

Item 8: Reconstitution of Working Committee and State Level Settlement Committee of the Board of the Corporation.

The Board discussed the agenda and, in pursuance to its earlier decisions, accorded approval to reconstitute the Working Committee and State Level Settlement Committee of the Board, as under:

Working Committee:

1. Chairman, RIICO
2. Commissioner Industries
3. MD RIICO
4. MD RFC
5. Commissioner (Inv. & NRIs)

The Chairman RIICO will be the Chairman of this Committee.

State Level Settlement Committee:

1. Chairman, RIICO
2. Commissioner Industries
3. MD RIICO
4. MD RFC
5. Commissioner (Inv. & NRIs)

The Chairman RIICO will be the Chairman of this Committee.

Item 9: Appointment of Ms. Anupama Sharma as Chief Financial Officer pursuant to section 203 of the Companies Act, 2013.

The Board discussed the agenda and in pursuance to provisions of Section 203 of the Companies Act, 2013 read with Rule 8 of Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014, adopted the following resolution:

“**RESOLVED** that Ms. Anupama Sharma, RACs, posted in the Corporation as Financial Advisor on deputation from the State Government w.e.f. the afternoon of 10th August 2017 shall also perform as Chief Financial Officer (CFO) and her terms and conditions of appointment would be governed as per the rules applicable to her services and/or the rules of the Corporation. Since the incumbent is on deputation, her designation shall be Financial Advisor.”

Item 10: Ex-post-facto approval for exercising the power delegated to Managing Director by Advisor (A&M).

The Board discussed the agenda and accorded ex-post-facto approval to office order dated 28.07.2017 delegating the power of sanction of Privilege Leave Encashment for unutilized Privilege Leave on retirement/death or otherwise to the officers/official of the Corporation to Advisor (A&M). However, this process has to be carried forward in a more effective way.

Item 11: Request of the authorizee for time extension for completion of Minimum Development Obligations (MDOs) in the case of Exhibition cum Convention Centre, Sitapura, Jaipur and waiver of compensation for delay in execution thereof.

The Board observed that the agenda note submitted is not in order and no effort has gone into preparing the same for seeking a decision from the Board. The annexures are to support the agenda note and not a substitute for the same. An agenda note has to be more specific, concise and enclosures to the agenda note be made of only those documents which have specific mention in the agenda note, instead of enclosing the bulky documents, which not only takes precious time of the Directors to see them but also digress their attention to the main issue. The Board further observed that views of the management/ recommendations be also given in the agenda note. With these observations, the Board directed to put up a fresh agenda in the next meeting of the Board with the specific recommendation of the Management for the precise decision it seeks from the Board and with reasons to support the same.

Item 12: Appointment of Chairman on the Governing Board of CDOS.

The Board discussed the agenda and accorded ex-post-facto approval for the appointment of Chairman RIICO as Chairman on the Governing Board of Centre for Development of Stones.

The Board noted that following agenda item was placed on the table with the permission of the Chair, therefore, the Directors present in the meeting unanimously agreed to waive the minimum notice period, take up this item for consideration and approved the same unanimously.

Item 13: Extension of time for holding of Annual General Meeting for the year 2016-17.

The Board discussed the agenda and decided to seek extension of time for holding 48th Annual General Meeting upto 31st December 2017. The Board adopted following Resolution:

RESOLUTION:

“RESOLVED that approval be and is hereby accorded for seeking extension of time, from the Office of Registrar of Companies, for holding 48th Annual General Meeting of the Company upto 31st December 2017 and placing the annual accounts for the financial year 2016-17 thereat.”

GENERAL OBSERVATION:

1. The RIICO Vision 2017-18, presented before the Board in its meeting held on June 29th 2017, was formally adopted by the Board and the Management was directed to ensure its implementation within the time stipulated. The Board directed that it will review the implementation of the same in each meeting.
2. The presentations on action taken to implement the RIICO Vision 2017-18 as well as on the comparative position of the targets vis-à-vis achievements made in 2017, as compared with corresponding period of last year, in respect to key performance indicators of the Corporation, were deferred for the next meeting on account of time since most of the Directors had to leave for other pressing respective engagements.

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

CHAIRMAN

Place: Jaipur

Date: 30.10.2017