

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

Minutes of : 3/2016 - Board Meeting
Venue : Udyog Bhawan, Jaipur.
Date : 29th August 2016
**Commencement/Completion
time of meeting** : 4.00 P.M. / 5.30 P.M.

Present :

Shri Umesh Kumar	Chairman & Managing Director
Shri Rajeeva Swarup	Principal Secretary SSI & Khadi
Shri Ajitabh Sharma	Commissioner Industries
Shri Vaibhav Galriya	Commissioner (Inv. & NRI)
Shri Maneesh Chauhan	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 Gaurav Bajad, Advisor (A&M); Shri Anil Sharma, CGM(BP) and Shri R.K. Limba, AGM (F&A), were also present.

WELCOME OF DIRECTOR

At the outset, Board welcomed Shri Umesh Kumar, Chairman & Managing Director and Shri Ajitabh Sharma, Commissioner Industries, who attended meeting of the Board of Directors for the first time, after their appointment, 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.

As all the agenda notes were circulated at a notice of less than seven days, the Directors present in the meeting unanimously agreed to waive the minimum notice period and take up all the items for consideration:

Item 1: To note minutes of the last meeting of the Board held on 27th June 2016.

The minutes of the meeting of Board held on 27th June 2016 were noted.

Item 2: Action Taken Report on the decisions of the previous meeting of the Board held on 27th June 2016.

The Board noted the position and directed as under:

1. Financing Activity: A presentation be given before the Board in its next meeting on Financing Activity of the Corporation. Presentation should not be more than 10 slides wherein details about various schemes, procedure followed in brief, overall portfolio, sector wise exposure, NPA and action plan for its reduction, plan of action for enhancement of portfolio etc., be given.
2. Divestment of equity: The Board was informed about the recommendations of IDBI Caps which has indicated that variation in financials of the company have been high. The investor shall be able to provide valuation upside from current levels if there is a visibility of consistent growth and positive return in bottom line. It is recommended to review financial results of next few quarters and future visibility of the revenue.

The Board directed that further necessary action on this matter be taken.

3. Procurement Document for engaging consulting firm, to suggest optimal and best use of land for development of Gem Stone & IT Hub, be prepared in next one month.

Item 3: To note the resolution passed by circulation regarding Purchase of one Vehicle.

The Board noted the following resolution passed by Circulation which shall be deemed to have been passed on 15th July 2016:

RESOLUTION:

"In pursuance to State Government Circular No. F.9(1) Fin.1(1) Income Expenditure/2010 dated 30.6.2010, approval is hereby accorded for purchasing of one number Maruti Ciaz Vxi+ (Petrol Version) Car on DGS&D rate contract"

Item 4: Appointment of Chairman, MD, CMD and Directors.

The Board discussed the agenda and accorded approval for the following:

- (i) Appointment of Shri Ashok Jain (DIN- 01641752), as Chairman on the Board of Directors of the Corporation in place of Shri C.S. Rajan with effect from the date of taking over charge, i.e., 1st July, 2016.
- (ii) In pursuance to provisions of Article 94 of the Articles of the Associations of the Company and subject to approval of the shareholders in General Meeting, appointment of Shri Vaibhav Galriya (DIN-03422896), as Managing Director of the Corporation in place of Smt. Veenu Gupta, with effect from the date of taking charge, i.e., 30th June 2016.
- (iii) Appointment of Shri Vaibhav Galriya as Corporation's nominee on the Board of Mahindra World City (Jaipur) Ltd. vice Smt. Veenu Gupta.
- (iv) 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, appointment of Shri Umesh Kumar (DIN-01733695) as Chairman and Managing Director of the Corporation in place of Shri Ashok Jain, Ex-Chairman and Shri Vaibhav Galriya, Ex-Managing Director, respectively, with effect from 27th July 2016. Shri Vaibhav Galriya shall, however, continue to be Director on the Board in the capacity of Commissioner (Inv. & NRI).
- (v) Nomination of Shri Umesh Kumar, on the Board of the following associate companies/society, vice Shri Ashok Jain/Smt. Veenu Gupta:

1. Centre for Development of Stones	Chairman
2. Mahindra World City (Jaipur) Ltd.	Chairman
3. Rajasthan Electronics & Instruments Ltd.	Chairman
4. Rajasthan Asset Management Company Pvt. Ltd.	Director
5. Rajasthan Trustee Company Pvt. Ltd.	Director

The Board also noted appointment of Smt. Aparna Arora, Secretary Mines & Petroleum, GoR; and Shri Ajitabh Sharma, Commissioner Industries, GoR as Directors on the Board of the Corporation, with effect from 27th July 2016, in place of Shri Deepak Upreti and Shri Abhay Kumar, respectively.

The Board further placed on record its sincere appreciation for the valuable contribution made by all the out going directors during their tenure on the board of the Corporation.

Item 5: 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:

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|-------------------------|--|
| 1. Shri Ashok Jain. | Notice dated 18 th July 2016. |
| 2. Shri Umesh Kumar | Notice dated 23 rd August 2016. |
| 3. Smt. Vaibhav Galriya | Notice dated 18 th July 2016. |
| 4. Shri Ajitabh Sharma | Notice dated 22 nd August 2016. |

Item 6: Extension of time for holding of Annual General Meeting for the year 2015-16.

The Board discussed the agenda and decided to seek extension of time for holding Annual General Meeting upto 30th November 2016. The Board adopted following Resolution:

RESOLUTION:

“**RESOLVED** that approval be and is hereby accorded for seeking extension of time, from the Ministry of Corporate Affairs/Registrar of Companies, for holding 47th Annual General Meeting of the Company upto 30th November 2016 and placing the annual accounts for the financial year 2015-16 thereat.”

Item 7: Appointment of Cost Auditor.

The Board discussed the agenda and adopted following Resolution:

RESOLUTION:

“**RESOLVED** that approval be and is hereby accorded for appointment of M/s. K.G.Goyal & Company, Cost Accountants, Jaipur, as Cost Auditor of the Corporation for financial year 2016-17 and recommended to the shareholders to approve payment of consolidated fee of Rs. 30,000/- per annum, plus service tax.”

Item 8: Finalization of the scope of work and appointment of Internal Auditor for Financial Year 2016-17

The Board discussed the agenda in detail and directed that methodology for selection of Internal Auditors be worked out which shall inter-alia include the pre-qualification requirement for appointment as Internal Auditor, defining meaningful scope of work and assessment of work done by the

Internal Auditors. It was also directed that a paper be placed before the Board in its next meeting, covering all the above points, for considering appointment of Internal Auditors for financial year 2017-18.

The Board discussed the agenda and adopted the following Resolutions:

RESOLUTIONS:

“RESOLVED that half-yearly internal audit of all the Unit offices; Follow-up & Recovery cell and Store & Library at Head Office be got done by engaging professional firms of Chartered Accountants for financial year 2016-17, as per the prevalent practice.

FURTHER RESOLVED that appointment of following firms of Chartered Accountants, be and is hereby approved for conducting internal audit work of Unit office/Head Office for the financial year 2016-17. Terms of reference and scope of the work to be assigned to the Internal Auditors has already been approved by the Board in its meeting held on 15th July 2014:

S.No.	Name of the CA firms	Unit/Head Office
1	M/s. Sonika & Co.	Store & Library
2	M/s. Santosh Agarwal & Associates	Jaipur (S)
3	M/s. G. Dutta & Co.	Ajmer
4	M/s. Shyam L. Agarwal & Co.	EPIP Sitapura
5	M/s. Abhishek Sharma & Co.	Jhalawar
6	M/s. Pradeep DR Jain & Associates	Neemrana
7	M/s. A.O. Mittal & Associates	Bhiwadi I
8	M/s. Amit V Agrawal & Associates	Jaipur (N)
9	M/s. Amit Goyal & Co.	Jaipur (R)
10	M/s. Shipra Gupta & Associates	Bikaner
11	M/s. Jethani & Associates	Boronada
12	M/s. Govind Gupta & Co.	Giloth
13	M/s. Agrawal Goyal & Associates	Bharatpur
14	M/s. Vikas K.C. Bansal & Associates	Srignaganagar
15	M/s. Acharya Anil & Associates.	Alwar
16	M/s. SRP & Co.	Bhiwadi II
17	M/s. Shah Surendar & Associates	Pali
18	M/s. Ankur Kumar Gupta & Co.	Jhunjhunu
19	M/s. G.R. Gupta & Co.	Banswara
20	M/s. Naresh Motwani & Co.	Sawai Madhopur
21	M/s. Mukesh Nishit & Co.	Nagaur
22	M/s. R. Seth & Associates	Sikar
23	M/s. Sudhir Bhansali & Co.	Jodhpur

24	M/s. Jain Nareda & Co.	Abu Road
25	M/s. R K. Garg & Co.	Balotra
26	M/s. Jain Rathore & Associates	Udaipur
27	M/s. Anjali Jain & Associates	F&R Cell (HO)
28	M/s. MK Mangal & Associates	Bhilwara
29	M/s. Ankit Sharma & Associates	Kota."

The Board further decided for enhancing the existing Audit fees from Rs. 20,000/- to 30,000/- per unit/H.O. cell per year, for FY 2016-17 and onwards, looking to the rising costs comprising of remunerations, boarding, lodgings, service tax etc.

Item 9: Approval of Financial Statements for the year ended on 31st March 2016

The Board was informed that Audit Committee in its meeting held on 29th August 2016 has reviewed the Annual Accounts and recommended the same for consideration by the Board. The salient features like financial results, achievements made in the field of financial assistance, infrastructure activity and business development during the financial year 2015-16 were briefed to the Board.

The Board after discussions accorded approval for making necessary reserves, provisions, write-off/write-back/loss in valuation of investments/re-wording/re-drafting/re-structuring of the Accounting Policies, wherever required.

The Board also approved the following:-

A. Provisions :

- 1) To make provision of Rs. 402.46 lacs against gratuity liability in compliance of Accounting Standard-15 by charging to Profit & Loss Account.
- 2) To make provision of Rs 58.96 lacs, against leave encashment liability, in compliance of Accounting Standard-15 by charging to Profit & Loss Account.
- 3) To make a provision of Rs. 11000.00 lacs against Income- tax based on current year's income and Rs 223.39 lacs as deferred tax liability on the advice of tax consultant.

- 4) To make a provision of Rs 43.32 lac on Standard Term Loans as per RBI Guidelines for NBFC.
- 5) To make a provision of Rs 786.90 lac on NPA- Term Loans as per RBI Guidelines for NBFC.

B. Write off/Write-back:

- i) To write off unit take over expenses of Rs. 7.16 lac in respect of term loan cases in view of non availability of security there against.
- ii) To write-off Rs. 4.08 lac due towards Sundry Debtors.
- iii) To write-back Rs. 218.51 lac recovered during the year against Term Loan Accounts which were written off in earlier years.

C. Loss in Valuation of Investments:

- (i) To book loss of Rs 289.22 lac in valuation of Investment in Shares of Jaipur Metro Corporation Limited due to reduction in fair value.
- (ii) To book loss of Rs 14.29 lac in valuation of Investment in Units of Rajasthan Venture Capital Funds due to reduction in fair value (net).

D. Reserves

1. To create a reserve of Rs. 1125.70 lacs as Special Reserve under section 36 (1)(viii) of Income Tax Act, 1961 in respect of Term Loan Revenue.
2. To appropriate Rs 1000.00 lacs towards Infrastructure Development Reserve for special maintenance of industrial areas in future.

E. Accounting Policies

Change in Accounting Policy in relation to accounting of interest on sheds/houses allotted on deferred basis. Revised policies and impact thereof on profit of the current year as given in Note-I, to Significant Accounting Policies to the Financial Statement. Further, incorporation/adoption of Accounting Policies in respect of developed residential/commercial/ industrial land being given to khatedars in lieu of compensation for acquired land and Income Recognition, Asset Classification and Provisioning pertaining to term loan/advances given. Rewording/redrafting/restructuring of few other accounting policies wherever considered necessary for better understanding of financial statements.

F. Proposed Dividend

The Board made recommendation for payment of dividend amounting to Rs. 2101.86 lacs, inclusive of dividend distribution tax, for the financial year 2015-16, in view of profits during the financial year and comfortable liquidity position.

The Board also approved the Balance Sheet as on 31st March 2016 and Statement of Profit and Loss and Cash Flow Statement for the year ended on that date together with changes in Accounting Policies and notes thereon. Shri Umesh Kumar, Chairman & Managing Director; Shri Maneesh Chauhan, Director; Shri Sanjay Solanki, Chief Financial Officer and Shri D.K. Sharma, Secretary were authorized to authenticate the aforesaid documents and to hand-over the same to Statutory Auditors for their report thereon.

Item 10: Approval of Directors' Report and fixation of the date for the Annual General Meeting (AGM).

The Board discussed the agenda and approved the Directors' Report for the Financial Year 2015-16 and also accorded approval to:

- 1) call the 47th AGM at a shorter notice with the consent of the shareholders;
- 2) authorize the CMD for making any modification in Directors' Report, if considered necessary, before circulation to the shareholders;
- 3) authorize the CMD to sign the Directors' Report on behalf of the Board and to fix the date and time for holding the 47th AGM;
- 4) authorize the CMD to approve the draft notice of AGM;
- 5) authorize the CMD of the Corporation to approve the management's replies on behalf of the Board, in case of a qualified report of CAG, and
- 6) authorize the Secretary to issue notice of AGM under his signature; and to circulate the report of CAG to the shareholders.

Item 11: To authorize Chairman & Managing Director of the Corporation to sign the subscription/Contribution agreement and other documents for promoting RVCF India Growth Fund (Fund-III) by RVCF with a corpus of Rs. 300 crores.

The Board discussed the agenda and accorded approval for the following:

1. To approve size of the corpus fund from initial Rs. 300 Cr. including Rs. 100 Cr. under 'Green Shoe Option' to corpus fund of Rs. 300 Cr.

2. To authorize Managing Director of the Corporation to sign the Subscription/Contribution agreement and other documents for promoting RVCF India Growth Fund (Fund-III) by RVCF with a corpus of Rs. 300 crores and any other decision related to it.

After completing the above agenda items, the Board took a brief break and re-assembled to consider and approve the following agenda item taken up with the permission of the Chairman and the unanimous consent of directors present in the meeting, and approved the same unanimously:

Item 12: Adoption of Independent Auditors' Report on Financial Statements for the year ended on 31st March 2016 and approval of replies of Management thereon.

The Board was informed that Audit Committee in its meeting held on 29th August 2016 has detailed discussions on the Financial Statements for the year 31st March 2016 and the Independent Auditors' Report thereon with Shri S.L. Gangwal and Shri Vipin Gangwal, partners of M/s. S. L. Gangwal & Co., Chartered Accountants, Jaipur and the Statutory Auditors.

After detailed discussions, the Board adopted Independent Auditors' Report on the annual accounts of the company for the year ended 31st March 2016 and authorized the Chairman & Managing Director to approve and sign the management replies on the comments of the Independent Auditors' Report dated 29th August 2016 and the Annexure thereto, on behalf of the Board. The replies may be circulated to the shareholders along with the report of the Statutory Auditors.

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