

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

MINUTES OF : **Board Meeting**
VENUE : **Udyog Bhawan, Jaipur**
DATE & TIME : **13th August 2014 at 11.00 A.M.**

PRESENT :

Shri C. S. Rajan	Chairman
Shri Subhash Chandra Garg	Principal Secretary Finance
Shri Rajeeva Swarup	Principal Secretary SSI & Khadi
Smt. Veenu Gupta	Managing Director
Shri Vinod Ajmera,	Commissioner Industries.
Shri Madhusudhan Sharma	MD RFC

Shri D.K. Sharma, Secretary was in attendance. Shri Prakash Tekwani, Financial Advisor; Shri Anil Sharma, GM(BP), Shri Lokesh Vijay, AGM(BP) and Shri R.K. Limba, Sr. DGM (F&A) were also present.

LEAVE OF ABSENCE

The Board granted leave of absence to Dr. Ashok Singhvi, Principal Secretary Mines & Petroleum, Shri Alok, Secretary Energy, Shri Shikhar Agrawal, Commissioner JDA and Dr. Prithviraj, Commissioner (Inv. & NRI)

Item 1: Confirmation of minutes of the last meeting of the Board held on 15th July 2014.

The Board was informed that Principal Secretary Finance (PSF) vide his letter No.PS/PSF/2014/176 dated 21st July 2014 had made observation about item No. 7 of minutes relating to IT Enablement of RIICO through RISL. In order to clarify on the various issues raised by PSF, a detailed presentation was made by RISL before the Chairman, PSF, MD RIICO and CMD RISL on 4th August 2014.

RISL and E-Connect Solutions Pvt. Ltd. clarified that there will be seamless integration in all the 14 modules. The software will be a customized Enterprise Resource Planning (ERP) rather than off-the-shelf ERP and all the 14 modules will be interdependent and non-fragmented. After viewing presentation, all the present were convinced about the scope of work, design and structuring of the task, ERP based approach, seamless integration of all the 14 modules etc. Accordingly, the minutes approved by the Chairman were issued in its original form.

In view of above background, the minutes of the last meeting of the Board held on 15th July 2014 were confirmed and signed by the Chairman.

Item 2: Action Taken Report on the decisions of the previous meeting of the Board held on 15th July 2014.

The Board noted the position.

Item 3: Minutes of the meetings of the Corporate Social Responsibility (CSR) Committee of the Board held on 28th April 2014, 28th May 2014 and 23rd July 2014.

The Board noted the position.

Item 4: Disclosure of interest by the Directors.

The Board noted the interest disclosure made by the Directors in their respective notices and adopted the following Resolution:

RESOLUTION:

“**RESOLVED** that the interest disclosed by the following Directors in their general notices pursuant to Section 184(1) of the Companies Act, 2013 read with the relevant rule 9(1), which were read over in the meeting, be and is hereby noted:

1. Dr. Ashok Singhvi Notice dated 15th July 2014.
2. Shri Rajeeva Swarup Notice dated 25th July 2014.”

Item 5: Transfer of shares.

The Board was informed that Industries Department vide its order No.F.5(35)Udyog/1/1976 dated 11th August 2014 has accorded approval for the transfer of seven equity shares.

The Board discussed the agenda and accorded approval for transfer of seven equity shares of Rs.1000/- each in the name of the transferees as mentioned in column 3 below, and authorized the Secretary of the Corporation endorse share certificates in the name of the transferees :

S. No. 1	Name of Transferor 2	Name of Transferee 3	No. of Share 4	Distinctive No. 5
1.	Shri Sunil Arora, Ex-Chairman, RIICO	Shri C.S.Rajan, Chairman, RIICO	1	2001
2.	Shri Naveen Mahajan, Ex-MD, RIICO	Smt. Veenu Gupta, MD, RIICO	1	801
3.	Shri Yaduvendra	Shri Madhusudan	1	1

	Mathur, Ex-CMD, RFC	Sharma, MD , RFC		
4.	Shri Rajesh Yadav, Ex-Commissioner Ind.	Shri Vinod Ajmera, Commissioner Industries,	1	1601
5.	Shri Rajeshwar Singh, Ex-Secretary SSI & Khadi	Shri Rajeeva Swarup, Pr. Secretary SSI & Khadi	1	2401
6.	Sh. Siddharth Mahajan, Ex-Commnr. Inv. & NRI	Dr. Prithviraj, Ex-Commnr. Inv. & NRI	1	1201
7.	Shri S.K. Agarwal, Ex-Secretary Energy	Shri Alok, Secretary Energy	1	401

Item 6: Retirement of Directors by rotation.

The Board discussed the position brought out in the agenda note. In pursuance to the provisions of Article 77(ii) of the Articles of Association of the company, the Board decided that Shri Subhash Chandra Garg and Shri Vinod Ajmera, being the senior most directors, be retired at the ensuing 45th Annual General Meeting (AGM). As regards retirement amongst directors with same seniority, the Board further decided that Shri Madhusudan Sharma, be retired at the 45th AGM. The retiring directors being eligible for re-election at the ensuing 45th AGM, therefore, the State Government be requested to consider re-nomination of all the three retiring directors with effect from the date of the ensuing AGM. In case of any change in the constitution of the Board before the forthcoming AGM, the senior most director(s), will retire at the ensuing AGM.

Item 7: Settlement of accounts of “VASTRA-2012” and “VASTRA-2013”

The Board discussed the agenda and authorized the Managing Director to decide all matters in relation to settlement of accounts of “VASTRA-2012” and “VASTRA-2013”.

Item 8: Approval of Annual Accounts for the year ended on 31st March 2014.

The Board was informed that Audit Committee in its meeting held on 12th August 2014 has reviewed the Annual Accounts and recommended the same for consideration by the Board. The salient features - financial results, achievements made in the field of financial assistance, infrastructure activity and business development during the financial year 2013-14 were briefed to the Board.

The Board accorded approval for making necessary reserves, provisions, write-offs/backs and change/re-wording/re-drafting/re-structuring of the Accounting Policies, wherever required.

The Board also approved the following:-

A. Reserves / Provisions:

- 1) to make provision of Rs.327.28 lacs, against leave encashment liability, payable to employees as retirement benefit in compliance of Accounting Standard-15.
- 2) To make provision of Rs.866.23 lacs against gratuity liability in compliance of Accounting Standard-15.
- 3) to make a provision of Rs.3000.00 lacs against income tax based on current year's income, Rs.496.07 lacs as deferred tax liability and Rs.15.25 lacs against wealth tax on the advice of tax consultant.
- 4) to create a reserve of Rs 884.62 lacs as special reserve under section 36(1) (viii) of Income Tax Act, 1961.
- 5) to appropriate Rs.1000.00 lacs towards Infrastructure Development Reserve for special maintenance of industrial areas in future.
- 6) to create reserves of Rs.400.00 lacs for Corporate Social Responsibility to comply with provision/guideline under the Companies Act.

B. Accounting Policies

Accounting policy in relation to accounting of investment in Shares, Securities, Mutual Fund in Joint sector Companies be changed by classifying them under the head "Investment" in place of Stock of Shares and Securities under the head "Inventory". The accounting policies be reworded/redrafted/restructured wherever considered necessary for better understanding of financial statements.

C. Write off:

- i) To write off "Unit take over expenses" of Rs.49.87 lac in respect of cases where term loan dues have been settled by way of one time settlement and sale of fixed assets.
- ii) To write-back Rs.188.00 lac standing as balance in the name of erstwhile Bhiwadi Industrial Development Authority since long.

D. Proposed Dividend

The Board made recommendation for payment of dividend of Rs.1610.23 lacs, inclusive of dividend tax, equal to 20% of profit after tax for the financial year 2013-14 in view of profits during the financial year and comfortable liquidity position.

The Board also approved the Balance Sheet as on 31st March 2014 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 C.S. Rajan, Chairman; Smt. Veenu Gupta, Managing Director; Shri Prakash Tekwani, Financial Advisor 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.

While discussing the accounts, the Board also made following observations:

1. For disposal of assets of Sanjeevani Fodder Production Pvt. Ltd., it be put to auction before the next meeting of Board.
2. Possibility be explored for sale of sticky accounts of term loan and equity to Assets Reconstruction Company (ARC).

Item 9: 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 2013-14 and also accorded approval to:

- 1) authorize the Chairman to sign the Directors' Report on behalf of the Board and to fix the date and time for holding the 45th AGM;
- 2) authorize the MD for making any modification in Directors' Report, if considered necessary, before circulation to the shareholders;
- 3) call the 45th AGM at a shorter notice with the consent of all the shareholders;
- 4) authorize the MD to approve the draft notice of AGM;
- 5) authorize the Secretary to issue notice of AGM under his signature; and to circulate the report of CAG to the shareholders.
- 6) authorize the MD of the Corporation to approve the management's replies on behalf of the Board, in case of a qualified report of CAG.

Item 10: Extension of time for holding of Annual General Meeting for the year 2013-14.

The Board discussed the agenda and decided to seek extension of time for holding the 45th Annual General Meeting up to 31st October 2014, from the Ministry of Corporate Affairs/Registrar of Companies. The Board adopted the 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 the 45th Annual General Meeting of the Company up to 31st October 2014 and placing the annual accounts for the financial year 2013-14 thereat.”

After completing the above agenda items, the Board took a brief break and re-assembled to consider the following agenda items with the permission of the Chair.

Item 11: Adoption of Independent Auditors' Report on Annual Accounts for the year ended on 31st March 2014.

The Board was informed that Audit Committee in its meeting held on 12th August 2014 has detailed discussions on the Annual Accounts for the year 31st March 2014 and the Independent Auditors' Report thereon. The Board discussed the draft Auditors' Report with CA Vipin Gangwal, the representative of the Statutory Auditors, namely, M/s. S.L. Gangwal & Company, Chartered Accountants, Jaipur. The Statutory Auditors briefed the major observations in the audit report to the Board.

After detailed discussions, the Board adopted Independent Auditors' Report on the annual accounts of the company for the year ended 31st March 2014 and authorized the Managing Director to approve the management replies on the comments of the Independent Auditors' report dated 13th August 2013 and the Annexure thereto. The Board also authorized the Managing Director to sign the replies 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.