

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

Minutes of : 1/2021 - Board Meeting
Venue : Udyog Bhawan, Jaipur
Day & Date : Friday, the 22nd January 2021
**Commencement/Completion
time of meeting** : 3.30 P.M. /4.30 P.M.

Present :

Shri Kuldeep Ranka	Chairman, RIICO
Shri Anand Kumar	Principal Secretary Revenue
Shri Ashutosh A.T. Pednekar	Managing Director, RIICO
Shri P. Ramesh	Managing Director, RFC
Smt. Archana Singh	Commissioner Industries & Commissioner (Investment & NRI)

Shri D.E. Sharma, Secretary was in attendance. Shri Ashok Pathak, Financial Advisor; Shri Pukhraj Sen, Advisor (Infra.); Shri R.K. Limba, CGM (Finance); CA Shri Akshay Shah representatives of M/s. Jain Shah & Company, Statutory Auditors were also present.

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

Leave of absence: The Board granted leave of absence to Shri Akhil Arora, Principal Secretary Finance and Shri Ajitabh Sharma, Principal Secretary, Mines & Petroleum.

Company Secretary (Item 1/2021): The Board noted the authorization given by the management to Shri D.K. Sharma, Retired CGM, RIICO (Membership No. ACS 7037), to act as Company Secretary of the Company, vide Order No. A.1(19)39/2020 dated 21st January 2021.

The Board further authorize the CFO to e-file the returns on the web-portal of MCA, GoI for cessation and appointment of Company Secretary.

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





Item 1: Certificate of Legal Compliance for quarter ended 31st December 2020.

The Board took on record the Certificate of Legal Compliance, for the quarter ended on 31st December 2020.

Item 2: Quarterly Performance Review of the activities of the Corporation ended on 31st December 2020.

The Board noted the quarterly performance review of the activities of the Corporation ended on 31st December 2020. The Board made following observations:

1. While submitting quarterly results, an analytical review of the actual performance vis-à-vis the targets be given as the absolute figures generally don't give specific justifications for the performance.
2. Physical and financial achievements in respect to the major activities of the Corporation are lacking behind the targets set for financial year 2020-21. the Board desired to make all out efforts to achieve the same.
3. Expenditure on development of industrial areas has been on lower side as there has been no allotment of new land to the Corporation during the current financial year; the Board suggested that expenses on development of existing industrial areas be increased substantially besides expenses on maintenance thereof.
4. Emphasis may be placed on increasing the loan portfolio of the Corporation to give further fillip to the investment and industrial activities within the State. While increasing the investment activity, proactive & constructive approach may be followed to sanction financial assistance to the deserving cases well within the prescribed time line. Efforts may also be made for recovery of term loan dues from the accounts classified as NPA.
5. Proper tax planning may be done to optimize outgo on account of income tax. The Corporation may consider making contribution to CM Relief Fund, support to CDoS and additional expenses on special maintenance of industrial areas, wherever considered necessary.
6. There has been regular reduction in the manpower of the Corporation consequent to superannuation of employees. As the Corporation has recently been designated as Regional





Development Authority under RSIR Act 2016 for development of two investment nodes within the State and has also in the process of developing so many new industrial areas; the Board suggested that recruitments be made at the earliest possible.

7. Computerization (ERP) of all the activities of the Corporation, which has already delayed a lot, be completed at the earliest.

Item 3: Approval of Board's Report.

The Board discussed the agenda and approved the Board's Report for the Financial Year 2019-20. The Board adopted the following Resolution:

RESOLUTION:

“**RESOLVED** that approval be and is hereby accorded to approve Board's Report for the Financial Year 2019-20 and to authorize the Chairman of the Company to make changes in the report, if any, before submission of the same to the shareholders. The Chairman was also authorized to sign the Board's Report on behalf of the Board.”

Item 4: Approval of financial statements for financial year ended on 31st March 2020.

The Board was informed that Audit Committee in its meeting held on 21st January 2021 has reviewed the Annual Accounts for the FY 2019-20 and recommended the same for consideration by the Board. The Chairperson of the Audit Committee briefed the Board about the main observations of the Committee on the accounts.

The Financial Advisor/CFO briefed the Board of the salient points of the financial results, achievements made in the field of financial assistance, infrastructure activity during the financial year 2019-20.

The Board after discussions accorded approval to the Standalone and Consolidated Ind-AS financial statements of the company for the financial year ended on 31st March 2020, along with accounting policies, notes on financial statements and other information annexed thereto, proposals for making transfer of profit to retained earnings, necessary reserves, provisions, gain in valuation of investments, re-wording/re-drafting/re-structuring/ modification/changes in the Accounting Policies, wherever required.

The Board adopted the following Resolutions:



RESOLUTIONS:

“**RESOLVED** that approval be and is hereby accorded for the following:

A. Provisions :

- 1) To make provision of Rs 97.00 cr. towards Income-tax based on current year's income.
- 2) To write back provision of Rs. 6.67 cr. on account of reversal of credit impaired term loans as per Ind-AS 109.

B. Gain/Loss in Valuation of Investments:

To book loss of Rs 2.99 cr. in valuation of non-current Investment and loss of Rs. 1.76 cr. in Units of current investments as per Ind-AS 109 on account of fair valuation of investments.

C. Reserves:

To create a reserve of Rs. 9.65 cr. as Special Reserve under section 36 (1)(viii) of Income Tax Act, 1961 in respect of Term Loan Revenue.

D. Proposed Dividend

Payment of dividend @ 10% of paid up share capital of the company, amounting to Rs. 21.01 cr. is proposed for payment to the shareholders.

FURTHER RESOLVED that approval be and is hereby accorded to approve Standalone Ind-AS and Consolidated Ind-AS financial statements of the company for the financial year ended on 31st March 2020, comprising of Balance Sheet, Statement of Profit & Loss and Cash Flow Statement for the year ended on that date, together with changes in Accounting Policies and notes thereon. Shri Kuldeep Ranka, Chairman; Shri Ashutosh A.T. Pednekar, Managing Director; Shri Ashok Pathak, Chief Financial Officer and Shri D.K. Sharma, Secretary were authorized to authenticate the aforesaid annual accounts & documents and to hand-over the same to Statutory Auditors for their report thereon.”



Item 5: Approval of Cost Audit Report.

The Board discussed the agenda and accorded approval to Cost Audit Report for financial year 2019-20 along with the annexure, as submitted by M/s. A. Goyal & Company, Cost Auditor and authorized the Managing Director and Company Secretary to sign and file the Cost Audit Report with MCA, on behalf of the company.

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

Item 6: Sanction of Additional Relief Package to Standard Loan Accounts to the Hotel Industry/Other stressed cases in the wake of continuing Covid-19 pandemic situation effect.

The Board discussed the agenda and accorded approval to sanction Additional Relief Package, in furtherance to earlier package approved in its meeting held on 25th June 2020, to its existing borrowers (who are classified as Standard Accounts as on 15.2.2020) in the Hotel Industry Sector/Other stressed cases in order to support them to tide over the crises, on the following broad terms and conditions:

1. Further three (3) quarterly installments of interest falling due on 15.1.2021, 15.4.2021 & 15.7.2021 shall be deferred and converted into Funded Interest of Term Loan (FITL). The same along with FITL of past 3 interest installments of 15.4.2020, 15.7.2020, 15.10.2020, already deferred, shall be payable in six (6) equal quarterly installments commencing from 15.10.2021 & onwards. FITL shall carry the applicable rate of interest in the respective accounts. Interest installment falling due on 15.10.2021 & onwards shall be paid as and when due.
2. Further three (3) installments of principal term-loan falling due on 15.2.2021, 15.5.2021 & 15.8.2021 shall also be deferred. Resultantly, total six principal installments due on 15.5.2020, 15.8.2020, 15.11.2020 (already deferred earlier) and 15.2.2021, 15.5.2021 & 15.8.2021 shall now be payable as the last six installments and accordingly existing last date of repayment (LDR) shall stand extended by six quarters.
3. The above re-schedulement will not tantamount to default for NPA classification & for allowing benefit of timely rebate.

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(Signature)

4. The Borrower's account will be classified as standard account as on 16th January 2020 for the purpose of this relief package only if there was zero default, as on 15th January 2020, in payment of term loan dues. Further, in those cases where the borrower's account(s) has been classified as sub-standard for the technical reasons only, however, the borrower is otherwise regular in making timely payment of term loan dues of the Corporation, it shall be treated as standard account as on 16th January 2020 for the purposes of extending this relief package.
5. The above package may also be extended to other stressed cases of borrowers in other sectors on case to case basis on merit of each case.

The Board also authorized the Managing Director to deal with and decide any incidental matter which may arise in future in the context of the above relief package.

Item 7: Adoption of Auditors' Report on Financial Statements for the year ended on 31st March 2020.

The Board was informed that Audit Committee in its meeting held on 21st January 2021 has detailed discussions on the Financial Statements for the year ended on 31st March 2020 and the draft Independent Auditors' Report thereon with Shri Ajay Shah and Shri Akshay Shah, partners of M/s. Jain Shah & Company, Chartered Accountants, the Statutory Auditors for FY 2019-20.

After detailed discussions, the Board adopted Independent Auditors' Report on the Standalone and Consolidated Ind-AS financial statements of the company for the year ended on 31st March 2020 and authorized the Managing Director to approve and sign the management replies on the comments of the Independent Auditors' Report dated 22nd January 2021 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.

Item 8: Regarding Reconstruction of Empowered Settlement Committee constituted for amicable settlement at the Field Level, HO Level & State level for redressal for grievance.

The Board discussed the agenda and approved reconstitution of the following Committees as under:

1. **Field Level Settlement Committee** shall have the following members:



- i. GM. DIC – Member
 - ii. Concerned Branch Manager of RFC at the location of Unit office of RIICO or the nearby RFC office - Member
 - iii. Unit Head RIICO – Convener
2. **Head Office Level Settlement Committee** shall have the following members:
- i. Financial Advisor - Member
 - ii. Advisor (Infra)/CGM (Inv.) - Member
 - iii. Sr. DGM (Law) – Member
 - iv. Concerned Monitoring officer at HO – Member
 - v. Concerned Unit Head – Member

Note: Financial Advisor or Advisor (Infra), whosoever is senior shall chair the meeting of the Committee.

3. **State Level Settlement Committee** shall have the following members:
- i. MD RIICO – Chairman
 - ii. MD RFC – Member
 - iii. Commissioner Industries - Member
 - iv. Commissioner (Investment & NRI) – Member

The other terms & conditions shall be the same as approved earlier.

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



CHAIRMAN

Date of Signature: 12.2.2021

Date of Entry: 12.2.2021

Place: Jaipur

Certified True Copy

[Signature]
Secretary

Rajasthan State Industrial Development and
Investment Corporation Ltd.
Sisodia Bhawan, Tilak Marg, JAIPUR-302001.