

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

Minutes of : 1/2015 - Board Meeting
Venue : Udyog Bhawan, Jaipur.
Date : 27th July 2015
**Commencement/Completion
time of meeting** : 6.00 P.M. / 7.30 P.M.

Present :

Shri C. S. Rajan	Chairman
Dr. Ashok Siinghvi	Principal Secretary Mines & Petroleum
Shri Rajeeva Swarup	Principal Secretary SSI & Khadi
Smt. Veenu Gupta	Managing Director
Shri Abhay Kumar,	Commissioner Industries.
Shri Maneesh Chauhan	MD RFC
Dr. Samit Sharma	Commissioner Inv. & NRI
Shri Raman Kumar Sharma	Independent Director
Shri Anil Bafna	Independent Director

Shri D.K. Sharma, Secretary was in attendance. Shri Prakash Tekwani, Financial Advisor/CFO, Shri Lalit Kumar, Advisor (Infra.); Shri Gaurav Bajad, Advisor (A&M); Dr. A.K. Gupta, CGM(Inv.); Shri Arun Agarwal, GM(Tech.); and Shri R.K. Limba, AGM (F&A), were present.

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

Rescheduling of Meeting: The meeting was originally scheduled for 27.07.2015 at 4.00 p.m., however, due to unavoidable reasons the same was postponed to 6.00 p.m. on the same day. All the directors were telephonically informed in advance. The directors present in the meeting unanimously consented for the re-scheduling.

Item 1: **Confirmation of minutes of the last meeting of the Board held on 12th June 2015.**

The minutes of the meeting of Board held on 12th June 2015 were confirmed.

Item 2: **Action Taken Report on the decisions of the previous meeting of the Board held on 12th June 2015.**

The Board noted the position.

Item 3: Minutes of the meeting of the Industrial Committee of the Board held on 30th June 2015.

The Board noted the position.

Item 4: Minutes of the meeting of the Infrastructure Development Committee of the Board held on 30th June 2015.

The Board noted the position.

Item 5: Secretarial Standards for the meetings of the Board of Directors & General Meetings.

The Board noted the position brought out in the agenda note and expressed the need to sensitize all concerned to conform to the amended provisions of the Companies Act, particularly in respect of timely issuance of notice, circulation of agenda note, table agenda etc. The Board also advised all Directors to communicate their consent/comments as early as possible, on receipt of draft minutes, without waiting for the seven days mandatory time to lapse.

Item 6: Appointment of Secretarial Auditor.

The Board discussed the agenda and approved the appointment of M/s. JAKS & Associates, Companies Secretaries, Jaipur for conducting the secretarial audit of the Corporation for the year 2014-15, on a remuneration of Rs. 75,000/- (Rupees seventy five thousand) only, all inclusive.

Item 7: Vacation of office of Director.

The Board discussed the agenda and noted vacation of office of Director of Shri Shikhar Agarwal from the Board of the Corporation with effect from 14th July, 2015, in view of the provisions of Section 167(1)(b) of the Companies Act, 2013.

The Board also resolved to request the State Government to consider appointment of Secretary Revenue, GoR, as Director on the Board of the Company, vice Commissioner, Jaipur Development Authority.

Item 8: Finalisation of the scope of work and appointment of Internal Auditor for Financial Year 2015-16.

The Board discussed the agenda and adopted the following Resolutions:

“RESOLVED that half-yearly internal audit of all the Unit offices; Follow-up & Recovery cell and Store & Library at Head Office be continue to be got done by engaging professional firms of Chartered Accountants for financial year 2015-16.

It 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 2015-16. 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.	Jethani & Associates	Ajmer
2.	Raj K. Bansal & Co.	Balotra
3.	Sonika & Co.	Alwar
4.	Santosh Agarwal & Associates	Jaipur (N)
5.	Govind Gupta & Co.	Store & Library
6.	B.L. Saharia & Co.	Bharatpur
7.	G. Dutta & Co.	Abu Road
8.	Amit Goyal & Co.	Jaipur (R)
9.	Manoj Manmal Jain & Associates	Bikaner
10.	Acharya Anil & Associates	Giloth
11.	A.O. Mittal & Associates	Bhiwadi I
12.	Amit V. Agarwal & Associates	EPIP Sitapura
13.	Agarwal & Garg	Pali
14.	R. Seth & Associates	Sikar
15.	A.R. Bhansali & Co.	Bhiwadi II
16.	Ankur Kumar Gupta & Co.	Jhunjhunu
17.	Shyam L. Agarwal & co.	Kota
18.	K. Kumar & Associates	Boronada
19.	Ashish Sharma & Co.	Jhalawar
20.	Naresh Motwani & Co.	Sawai Madhopur
21.	Sudhir Bhansali & Co.	Jodhpur
22.	Ved P. Bansal & Company	Udaipur
23.	Pradeep DR Jain & Associates	Neemrana
24.	G.R. Gupta & Co.	Banswara
25.	R.P. Vijay & Company	Bhilwara
26.	Mukesh Nishit & Com.	Nagaur
27.	Vikas K.c. Bansal & Associates	Srignaganagar
28.	Abhishek & Co.	Jaipur (S)
29.	S.C. Bapna & Associates	F&R Cell (HO).”

Item 9: Incidence of Service Tax on Sale of plots and recovery of pre-deposit.

The Board discussed the agenda and noted the position brought out in the agenda note. After detailed discussions, the Board directed that an undertaking be obtained from new allottees of land, on non-judicial stamp paper of Rs.100/-, to the effect that they shall be liable to pay to the Corporation Service Tax, if any, paid/payable by the Corporation to the Service Tax Department on the

value of land allotted. The Board also resolved that efforts be made to seek similar undertakings from existing allottees of land, whenever such allottees approach the Corporation for any permission/approval/ issuance of NOC etc., besides appealing to all existing allottees to furnish the said undertaking.

Item 10: Amendment of Clause No. 11.2 of Share Holders Agreement (SHA) regarding quorum in meetings of Committees of Board of Mahindra World City (Jaipur) Ltd.

The Board discussed the agenda and decided as under:

1. To amend clause 11.2 of Share Holders Agreement as per Annexure-V to the agenda note, subject to approval of the State Government.
2. If constitution of any Committee does not have any Director nominated by RIICO, then RIICO shall be entitled to appoint an 'Observer', including his/her alternate, to attend meetings of such committees.
3. The written consent is without prejudice to RIICO's rights under SHA to nominate a Director(s) in place of its 'Observer' to attend meetings of committees which do not have any Director nominated by RIICO.

Item 11: Amendment in RIICO Employees Services (Revised Pay Scales) Rules, 2008.

The Board discussed the agenda and accorded approval to amend schedule-III (Amount of Fixed Remuneration for a Probationer Trainee) of Rule 19 of RIICO Employees Services (Revised Pay Scales) Rules, 2008, with effect from 1.7.2015, as under, analogous to the amendments made by State Government in Rajasthan Civil Services (Revised Pay) Rules, 2008:

Pay Band	Running Pay Band	GP No.	Grade Pay	Amount of fixed remuneration per month before 01.07.2015	Amount of fixed remuneration per month w.e.f. 01.07.2015
1	2	3	4	5	6
PB-1	5200-20200	2	1700	6060	6670
PB-1	5200-20200	3	1750	6360	7000
PB-1	5200-20200	4	1900	6720	7400
PB-1	5200-20200	5	2000	7080	7790
PB-1	5200-20200	9	2400	8100	8910
PB-1	5200-20200	10	2800	10740	11820
PB-2	9300-34800	11	3600	12000	13200
PB-2	9300-34800	12	4200	13320	14660
PB-2	9300-34800	14	4800	15660	17230
PB-3	15600-39100	15	5400	20160	22180
PB-3	15600-39100	16	6000	21840	24030
PB-3	15600-39100	17	6600	24240	26670
PB-3	15600-39100	18	6800	25560	28120

PB-3	15600-39100	19	7200	27120	29840
PB-3	15600-39100	20	7600	28740	31620
PB-3	15600-39100	21	8200	31980	35180
PB-4	37400-67000	22	8700	44280	48710
PB-4	37400-67000	23	8900	46680	51350

The Board further authorized the Managing Director of the Corporation to make amendments in RIICO Employees Services (Revised Pay Scales) Rules, 2008, analogous to amendments made by the State Government in Rajasthan Civil Services (Revised Pay) Rules, 2008.

As the below mentioned agenda items 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 the said items for consideration:

Item 12: Approval of Financial Statements for the year ended on 31st March 2015.

The Board was informed that Audit Committee in its meeting held on 27th July 2015 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 2014-15 were briefed to the Board.

The Board 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. 210.24 lacs against gratuity liability in compliance of Accounting Standard-15 by charging to Profit & Loss Account.
- 2) To make provision of Rs 292.68. lacs, against half pay leave liability, in compliance of Accounting Standard-15 by charging to Profit & Loss Account.
- 3) To make a provision of Rs. 7800.00 lacs against Income- tax based on current year's income, Rs 135.32 lacs as deferred tax liability and Rs 14.30 lacs against wealth tax on the advice of tax consultant.
- 4) To make a provision of Rs 58.03 lac against accrued interest on Flexi Fund Deposit.
- 5) To make a provision of Rs 0.97 lac on Standard Term Loans as per RBI Guideline.

B. Write off/Write-back:

- i) To write off Principal Term Loan of Rs 71.25 lac in respect of Loss Assets where prospects of recovery are bleak.
- ii) To write off unit take over expenses of Rs. 35.78 lac in respect of term loan cases in view of non availability of security there against.
- iii) To write-off Rs. 94.45 lacs due towards Sundry Debtors.
- iv) To write-back Rs.461.66 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 244.11 lac in valuation of Investment in Shares of Rajasthan Drugs and Pharmaceutical Ltd (RDPL) due to erosion of net- worth.
- (ii) To book loss of Rs 132.04 lac in valuation of Investment in Units of Rajasthan Venture Capital Fund-I due to reduction in fair value.

D. Reserves

1. To create a reserve of Rs. 1078.53 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

During the year, accounting policy in relation to accounting of capitalization of Land and Building for own use in industrial areas, Revenue recognition of eligible grants and interest on plots allotted on installment basis has been changed and revised policies and impact thereof on profit of the current year has been given in Note I - Significant Accounting Policies to the Financial Statement. Few other accounting policies have been reworded/ redrafted/ restructured where ever 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 2014-15, in view of profits during the financial year and comfortable liquidity position.

The Board also approved the Balance Sheet as on 31st March 2015 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, 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.

The Board expressed satisfaction over higher level of developed land sold, reduction in NPA, corrective measures taken resulting in reduction of twelve adverse observations in Audit Report of 2014-15, completion of work of preparation and approval of Financial Statement before end of July 2015, etc., and placed on record its appreciation for the excellent work done by Finance Team headed by Financial Advisor and the Infra Team headed by Advisor Infra under the stewardship of the Managing Director.

Item 13: 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 2014-15 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 46th AGM;
- 2) authorize the MD for making any modification in Directors' Report, if considered necessary, before circulation to the shareholders;
- 3) call the 46th AGM at a shorter notice with the consent of 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 to approve the management's replies on behalf of the Board, in case of a qualified report of CAG.

Item 14: Appointment of Cost Auditor.

The Board discussed the agenda and adopted following Resolution:

“RESOLVED that approval be and is hereby accorded for appointment of M/s. K.G. Goyal & Company, Cost Accountant, Jaipur, as Cost Auditor of the Corporation for previous financial year 2014-15 and current financial year 2015-16 at consolidated fee of Rs.30,000/- per annum, plus service tax.”

Item 15: Status of Tribal Area Regional Industrial Promotion Scheme, 2009-10.

The Board discussed the agenda and accorded approval as follows:

1. Looking to the high level of irregularities observed in the survey of the industrial units to whom production incentives were reimbursed, it was decided to discontinue this scheme in Sirohi district which in any case was highly industrialized and not warrant any incentive. Henceforth, this scheme shall be applicable in 2 districts i.e. Dungarpur & Banswara.

2. Production incentives to pending 93 cases under this scheme in Sirohi District will be reimbursed in three phases as under, subject to the conditions that they have commenced production prior to 31.12.2014 and verification by approving authority:
 - Production incentive of 15% of land cost subject to verification of production activity as on 31.12.2014.
 - Further production incentive of 15% of land cost subject to verification of continuous production activity as on 31.12.2015.
 - Further production incentive of 20% of land cost subject to verification of continuous production activity as on 31.12.2016.
3. Henceforth, allottees of industrial plots to whom allotment was made prior to 31.03.2015 in above 2 districts, i.e. Dungarpur and Banswara, will be reimbursed production incentive subject to condition that they commence production up-to 31.03.2016. Production incentive of 50% of land cost to such allottees will be reimbursed in three phases as under;
 - Production incentive of 15% of land cost subject to verification of production activity as on 31.03.2016.
 - Further production incentive of 15% of land cost subject to verification of continuous production activity as on 31.03.2017.
 - Further production incentive of 20% of land cost subject to verification of continuous production activity as on 31.03.2018.
4. Henceforth, allottees of industrial plots to whom allotment is made after 31.03.2015 in above 2 districts, i.e. Dungarpur and Banswara, will be reimbursed production incentive subject to condition that they commence production within one year from the date of allotment. Production incentive of 50% of land cost to such allottees will be reimbursed in three phases as under:
 - Production incentive of 15% of land cost at the end of one year from the date of allotment subject to verification of production activity.
 - Further, production incentive of 15% of land cost at the end of 2 years from the date of allotment subject to verification of continuous production activity.
 - Further, production incentive of 20% of land cost at the end of 3 years from the date of allotment subject to verification of continuous production activity.
5. Beneficiaries under this scheme shall not be eligible for getting production incentive under the provisions of Continuous Production Incentive Scheme-2013.
6. Ex-post-facto approval of the State Government will be sought for extension of validity of this scheme for the period 01.01.2013 to 31.12.2014 and also for approval of amended provisions.

Item 16: Status of Regional Industrial Promotion Scheme (Backward Districts) 2011-12.

The Board discussed the agenda and accorded approval as follows:

1. Claims for reimbursement of production incentive in pending 3 cases under this scheme of Dholpur district were rejected as the units were not found in production at the time of inspection made by the Approving Committee of Dholpur District.
2. Henceforth, allottees of industrial plots under this scheme to whom allotment was made prior to 31.03.2015 will be reimbursed production incentive subject to condition that they commence production up-to 31.03.2016. Production incentive of 50% of land cost to such allottees will be reimbursed in three phases as under:
 - Production incentive of 15% of land cost subject to verification of production activity as on 31.03.2016.
 - Further production incentive of 15% of land cost subject to verification of continuous production activity as on 31.03.2017.
 - Further production incentive of 20% of land cost subject to verification of continuous production activity as on 31.03.2018.
3. Henceforth, allottees of industrial plots under this scheme to whom allotment is made after 31.03.2015 will be reimbursed production incentive subject to condition that they commence production within one year from the date of allotment. Production incentive of 50% of land cost to such allottees will be reimbursed in three phases as under:
 - Production incentive of 15% of land cost at the end of one year from the date of allotment subject to verification of production activity.
 - Further, production incentive of 15% of land cost at the end of 2 years from the date of allotment subject to verification of continuous production activity.
 - Further, production incentive of 20% of land cost at the end of 3 years from the date of allotment subject to verification of continuous production activity.
4. Beneficiaries under this scheme shall not be eligible for getting production incentive under the provisions of Continuous Production Incentive Scheme-2013.
5. Ex-post-facto approval of the State Government will be sought for extension of validity of this scheme for the period 01.04.2014 to 31.12.2014 and also for approval of amended provisions.

Item 17: Categorization of Industrial Areas of RIICO.

The Board discussed the agenda and directed to further refine the proposed criteria for categorization of industrial areas.

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 18: Adoption of Independent Auditors' Report on Financial Statements for the year ended on 31st March 2015 and approval of replies of Management thereon.

The Board was informed that Audit Committee in its meeting held on 27th July 2015 has detailed discussions on the Financial Statements for the year 31st March 2015 and the Independent Auditors' Report thereon with Shri Vipin Gangwal, partner 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 2015 and authorized the Managing Director to approve the management replies on the comments of the Independent Auditors' Report dated 27th July 2015 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.