

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

Minutes of : 4/2018 - Board Meeting
Venue :Udyog Bhawan, Jaipur
Day & Date :Friday, the 31st August 2018
Commencement/Completion : 3.00 P.M. / 3.25 P.M.
time of meeting

Present :

| | |
|--------------------------|---------------------------------------|
| Shri Rajeeva Swarup | CMD & ACS Industries |
| Shri Mukesh Kumar Sharma | ACS, Finance |
| Smt. Aparna Arora | Principal Secretary Mines & Petroleum |
| Dr. Samit Sharma | Commissioner Industries |
| Shri Raman Kumar Sharma | Independent Director |

Shri D.K. Sharma, Secretary was in attendance. Ms. Anupama Sharma, Financial Advisor; Shri Vijai Pal Singh, Advisor (Infra.), Shri R.K. Limba, GM (Finance), CA Shri Ajay Shah & Shri Sanjay Kumar Pandya, representatives of Jain Shah & Company, Chartered Accountants, Jaipur; and Shri Sandeep Jain, Secretarial Auditor, 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 Ajitabh Sharma, Shri Naveen Mahajan, Smt. Urmila Rajoria and Shri Anil Bafna.

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

Item 1: To note the minutes of the last meeting of the Board held on 10th August 2018.

The minutes of the meeting of Board held on 10th August 2018 were noted.

Item 2:Action Taken Report on the decisions of the previous meeting of the Board held on 10th August 2018.

The Board noted the position brought out in the agenda note.

Item 3: Minutes of the meeting of the Infrastructure Development Committee held on 9th July 2018.

The minutes of the meeting of Infrastructure Development Committee held on 9th July 2018 were noted.

Item 4: Certificate of Legal Compliance for quarter ended on 30th June 2018.

The Board took on record the Certificate of Legal Compliance, for quarter ended on 30th June 2018.

Item 5: Disclosure of interest by the Directors.

The Board noted the interest disclosure made by Shri Naveen Mahajan, disclosing his interest in other Companies/Bodies Corporate /Firms/Societies, vide his notice dated 14th August 2018, pursuant to Section 184(1) of the Companies Act 2013 read with the relevant rule 9(1).

Item 6: Transfer of Shares of the Corporation.

The Board discussed the agenda and accorded approval for the transfer of following equity shares of Rs.10/- each of the Company, in the names of the transferees mentioned in Col. 3, with effect from the date of government order, i.e. 28th August 2018:

| S.No. | Name of Transferor | Name of Transferee | No. of Share | Distinctive Nos. |
|-------|---|---|--------------|------------------|
| 1 | 2 | 3 | 4 | 5 |
| 1. | Shri D.B. Gupta, Ex-Additional Chief Secretary Finance | Shri Mukesh Kumar Sharma, Additional Chief Secretary Finance | 1 | 200001 |
| 2. | Shri Khemraj Chaudhary, Ex-Additional Chief Secretary Revenue | Shri Ajitabh Sharma, Secretary Revenue | 1 | 40001 |
| 3. | Shri Kunjilal Meena, | Dr. Samit Sharma, | 1 | 160001 |

| | | | | |
|----|---|---|---|--------|
| | Ex-Commissioner Industries | Commissioner Industries | | |
| 4. | Dr. Tina Soni, Ex-Commissioner Inv. & NRI | Shri Naveen Mahajan, Secretary MSME | 1 | 120001 |
| 5. | Shri Anoop Khinchi, Ex-MD RFC | Smt.Urmila Rajoria, MD RFC | 1 | 1 |

The Board also authorized Secretary of the Corporation to endorse the share certificates in the name of above transferees.

Item 7: Approval of Cost Audit Report.

The Board discussed the agenda and accorded approval to Cost Audit Report for financial year 2017-18 along with the annexure 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 on behalf of the company.

Item 8: Appointment of Cost Auditor.

The Board discussed the agenda and adopted the following Resolution:

RESOLUTION:

“RESOLVED that approval be and is hereby accorded for the appointment of M/s. A. Goyal & Company, Cost Accountant, Jaipur, as Cost Auditor of the Company for FY 2018-19, at consolidated fee of Rs. 30,000/- plus GST, subject to approval of the shareholders in General Meeting”.

Item 9: Extension of time for holding of 49th Annual General Meeting for the year 2017-18.

The Board discussed the agenda and decided to seek extension of time for holding 49th Annual General Meeting up to 15th November 2018.

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 49th Annual General Meeting of the Company up to 15th

November 2018 and placing the annual accounts for the financial year 2017-18 thereat.”

Item 10:Approval of Board’s Report and fixation of the date for the Annual General Meeting(AGM).

The Board discussed the agenda and approved the Board’s Report for the Financial Year 2017-18. The Board adopted the following Resolution:

RESOLUTION:

“**RESOLVED** that approval be and is hereby accorded to approve Board’s Report for the Financial Year 2017-18 and authorizing 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.”

The Board also accorded approval to:

- 1) call the 49th AGM at a shorter notice with the consent of the shareholders and authorized the Chairman to fix the date and time for holding the 49th AGM;
- 2) authorized the MD to approve the draft notice of AGM;
- 3) authorized the MD of the Company to approve the management’s replies on behalf of the Board, in case of a qualified report of CAG, and
- 4) authorized the Secretary to issue notice of AGM under his signature; and to circulate the report of CAG to the shareholders.

Item 11:Approval of financial statements for financial year ended on 31stMarch 2018.

The Board was informed that Audit Committee in its meeting held today at 2.00 PM has reviewed the Annual Accounts and recommended the same for consideration by the Board. The Chairman of the Audit Committee briefed the Board about the main observations of the Committee on the accounts. It was informed that expenditure on development and maintenance of industrial areas be enhanced so that income tax incidence be got reduced; the aspect of writing-off of outstanding dues of service charges & water charges older than five years and its impact on the rights of the Corporation to make recovery thereof, be legally examined; process of land acquisition be expedited and more emphasis be placed on recovery of term loan dues from non-performing assets.

A power point presentation was made by the Financial Advisor/CFO highlighting the salient features like financial results, achievements made in the field of financial assistance, infrastructure activity and business development during the financial year 2017-18.

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 2018, along with notes on accounts and other information annexed thereto, proposals for making necessary reserves, provisions, loss 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. 880.60 lakh against gratuity liability in compliance of Ind AS-19 by charging to Profit & Loss Account.
- 2) To make provision of Rs.568.38 lakh against leave encashment liability, in compliance of Ind AS-19 by charging to Profit & Loss Account.
- 3) To make provision of Rs 4800.00 lakh against Income-tax based on current year's income on the advice of tax consultant.
- 4) To Write off provision of Rs.72.42 lakh on Standard Term Loans & to make a provision of Rs.2367.7 lakh for Doubtful Debts and Advances as per Ind AS-109.

B. Loss in Valuation of Investments:

To book loss of Rs 519.81 lakh in valuation of Investment in Units of Rajasthan Venture Capital Funds due to reduction in the fair value (net) as per Ind AS 109.

C. Reserves:

To create a reserve of Rs. 875.06 lakh as Special Reserve under section 36 (1)(viii) of Income Tax Act, 1961 in respect of Term Loan Revenue.

D. Proposed Dividend

The Board did not recommend for payment of dividend for the financial year 2017-18, in view of financial commitments for CETP at Bhiwadi and contribution to CM Relief Fund.

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 2018, comprising of Balance Sheet, 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 Rajeeva Swarup, Chairman; Dr. Samit Sharma, Director; Ms. Anupama Sharma, 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.”

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 12: Adoption of Independent Auditors’ Report on Financial Statements for the year ended on 31st March 2018 and approval of replies of Management thereon.

The Board was informed that Audit Committee in its meeting held today at 2.00 P.M. has detailed discussions on the Financial Statements for the year ended on 31st March 2018 and the draft Independent Auditors’ Report thereon with Shri Ajay Shah and Shri Sanjay Kumar Pandya, partners of M/s. Jain Shah & Co., Chartered Accountants, Jaipur and the Statutory Auditors.

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 2018 and authorized the Managing Director to approve and sign the management replies on the comments of the Independent Auditors’ Report dated 31st August 2018 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 13:Regularization of unauthorized construction in plot No. SP-7 (A) at Industrial Area, Sitapura, Jaipur, allotted to Essel Vision Production Ltd. for Film Studio.

The Board discussed the agenda at length. In view of the facts and reasons stated in the agenda note, it is clear that the unauthorized construction cannot be regularized. There is also an order barring such regularizations by the Hon'ble Rajasthan High Court. However, since the studio built is unique, and, as stated by the allottee company, the only one in north India, the Board decided to refer the matter to the State Government to take a final view in respect of regularization of unauthorized construction in plot No. SP-7 (A) at Industrial Area, Sitapura, Jaipur, allotted to Essel Vision Production Ltd. for Film Studio.

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

CHAIRMAN