

BOARD'S REPORT

Dear Shareholders,

Board of Directors have great pleasure in presenting 50th Annual Report and company's audited financial statement for the financial year ended on 31st March 2019 together with Reports of Independent Auditors and the Comptroller & Auditor General of India.

FINANCIAL RESULTS

The financial results for the year under review are summarized below:

(Rupees in lac)

Particulars	2018-19	2017-18
Revenue	69,628.24	72,316.38
Expenditure	56,452.82	52,964.38
Profit for the year before tax	13,175.42	19,352.00
Less: Tax expenses		
- Current Year	4,834.34	5,132.71
- Earlier Year	1,289.61	1000.66
- Deferred tax	-	(1,075.60)
Profit for the year	7,051.47	14,294.23

DIVIDEND & TRANSFER TO RESERVE:

The Board has recommended dividend of Rs. 1410.29 lac for the financial year ended on 31st March 2019, including corporate dividend tax, during the year under report. The Board did not recommend for transfer of any amount to the reserves.

NET WORTH

The net worth of company at the close of the current financial year (FY 2018-19) and previous financial year (FY 2017-18) was Rs. 2094.26 cr. and Rs. 1910.93 cr. respectively.

BRIEF DESCRIPTION OF COMPANY'S WORKING:

TERM LOAN ASSISTANCE

During the year the company sanctioned term loan of Rs.16589.60 lac (Rs.6765.00 lac during previous year) to various projects. Textile sector emerged as the sector with highest sanction of term loan amounting to Rs. 8100.00 lac (48.83%) followed by Hotel projects Rs. 2700.00 lac (16.28%); Explosive project Rs. 2450.00 lac (14.77%), Renewal Energy Rs. 1400.00 lac (8.44%), Electrical Cables Rs. 1000.00 lac (6.02%), Packaging unit Rs. 360.00 lacs (2.17%). Besides these, term loans of Rs. 579.60 lac (3.49%) were also sanctioned under the Scheme of Financing of Industrial Land of RIICO Industrial Areas.

The company disbursed term loan assistance of Rs.6895.00 lacs during the financial year 2018-19 as against Rs.5686.00 lac during previous year.

During the financial year ended on 31st March, 2019, total recovery of term loan dues was amounted to Rs.19116.04 lac (Principal Rs. 13585.07 lac and Interest Rs. 5530.97 lac). Recovery of Rs. 2021.42 lac (Principal Rs.1251.45 lac and Interest Rs.769.97 lac) was done from NPA Accounts. The level of NPA was 19.62% as on 31st March 2019.

Rebate (including GIRS) amounting to Rs. 817.57 lac was allowed to borrowers during FY 2018-19 for timely payment.

EQUITY ASSISTANCE

No fresh disbursement was made during the year. The Corporation received dividend of Rs 706.41 lac on the investments made by it in various companies. It has also made disinvestment of equity of Rs. 201.24 lac.

INDUSTRIAL INFRASTRUCTURE DEVELOPMENT

RIICO has set up 347 industrial areas by acquiring 84441.16 acre land since its inception. In the year under report, no land was acquired, however 1153.67 acres land was developed and 131.39 acre land (285 Nos. of plots) was allotted in various industrial areas. During 2018-19, 934 new industrial units commenced production/activity, whereas total number of industrial units set up in RIICO's industrial area stood at 39704 as on 31st March 2019. In the financial year, five new Industrial Areas were established, namely, Gundi Fatehpur (Kota); Badi Seed (Jodhpur); Kishangarh Phase-VI (Ajmer); Ukhaliya (Bhilwara) and Mau (Sikar). Development works continued to be carried-out in new Industrial areas located at Kakani, Jodhpur and Stone Park Masalpur, Karauli, (Sawaimadhopur Unit Office), during 2018-19.

During the year 2018-19, a sum of Rs. 574.43 crore were recovered towards infra dues from allottees against the target of Rs.643.60 crore. Six unit offices have crossed the recovery targets. Expenditure of Rs. 366.01 crore were incurred on infrastructure development activities including maintenance works.

New administrative sanctions for Rs.729.77 crore for development of new industrial areas and additional administrative sanctions for Rs.108.79 crore, for up-gradation of infrastructure of existing industrial areas, were issued during the year 2018-19. The progress of existing industrial areas were also reviewed and revised administrative sanctions of Rs. 171.09 crore were also issued during the period under review for few industrial areas.

PROJECTS UNDER ASIDE SCHEME

The assistance is provided under this scheme to the State Governments for creating appropriate infrastructure for development and growth of exports. 31 projects having project cost of Rs.59916.77 lac with grant of Rs.27769.83 lac were sanctioned. So far, 29 projects have been completed with expenditure of Rs. 36786.79 lac.

One project having project cost of Rs. 1010.00 lac with central grant of Rs.950.00 lac is under implementation on which expenditure of Rs.1010.00 lac has been made till 31st March 2019. Another project having project cost of Rs. 1035.55 lacs with full central grant could not be implemented due to closure of the scheme by Govt. of India.

SPECIAL ECONOMIC ZONES (SEZ)

The Corporation acts as nodal agency for development of SEZs in the State. Your company has itself established sector specific SEZs for Gems & Jewellery at industrial area Sitapura, Jaipur. Investments of about Rs.280 crore has been made in these SEZs wherein 146 units are working which provided employment to over 11094 persons and has achieved export turnover of about Rs. 1537 crore in the year 2018-19.

Mahindra World City (Jaipur) Ltd., a joint sector project of RIICO and Mahindra Group has set up a Multi Product SEZ & Domestic Tariff Area (DTA) at Jaipur. Ministry of Commerce, Govt. of India has issued notification on 24.8.2018 for Multipurpose SEZ. Investment of about Rs.4406 crore has been made by the developer, co-developers and individual units which are providing direct and indirect employment to over 39600 persons. During the year 2018-19, export of Rs.1552 crore has been made from the Multipurpose SEZ.

BUSINESS DEVELOPMENT

I.T. ENABLEMENT OF COMPANY

The Company is in the process of implementing Integrated Software Solution for automation of its business processes by leveraging Information and Communication Technologies to streamline and improve its functioning in order to bring efficiency, transparency and accountability in its operations and faster delivery of services to all of its stakeholders.

RAJASTHAN VENTURE CAPITAL FUND (RVCF)

Rajasthan Venture Capital Fund (RVCF) was set up in 2002, a state supported VC fund that is currently focused on supporting innovative companies with social and economic impact for the state of Rajasthan. RVCF has emerged as the preferred choice of new generation entrepreneurs from the state.

RVCF is currently managing two SEBI registered domestic Venture Capital funds –SME Tech Fund and RVCF India Growth Fund (RVCF III) by the Fund Management Company, Rajasthan Asset Management (P) Ltd.

RVCF-II has invested in 15 companies and is in disinvestment mode. RVCF-III has a portfolio of four companies and aims to invest in early to growth stage companies with experienced management team. RVCF-III aims to invest in investible opportunities capable of generating social and commercial returns with emphasis on sustainable development, improving ESG stores, impacting larger population. The fund also provides strategic support to its investee companies through its network, active partnership, etc. as a part of value creation. The Fund invests in the form of equity, quasi-equity and other equity instruments.

CENTRE FOR DEVELOPMENT OF STONES (CDOS)

The Centre has been actively pursuing its objective to develop, promote and support dimensional stone sector in the State as well as other parts of the country. The Centre is also promoting image building activities to establish brand equity of Indian stones in the international market by way of organizing International Stone Industry Exhibition, Technology Conference; promoting Indian stones in various international fares; publication of books, booklets, brochures and through CDOS website.

India Stonemart 2019 – Tenth edition of the flagship international stone industry exhibition was organized during January 31 - February 3, 2019 at JECC, Sitapura, Jaipur and it was a resounding success in terms of business generated and trade visitors turnout. The event attracted 484 exhibitors from 7 countries and 16 Indian States.

DIRECTORS, BOARD AND COMMITTEE MEETINGS:

DIRECTORS

The State Government has appointed following directors on the Board of the company during the FY 2018-19:

Sl. No.	Name of Directors - DIN	Date of appointment
1.	Shri Mukesh Kumar Sharma(DIN-02087671)	17.05.2018
2.	Shri Krishna Kunal(DIN-07551111)	17.05.2018
3.	Smt. Manju Rajpal (DIN07825977)	18.06.2018
4.	Shri Naveen Mahajan(DIN-01890995)	26.07.2018
5.	Smt. Urmila Rajoria (DIN-02903609)	26.07.2018
6.	Dr. Samit Sharma (DIN-03494438)	06.08.2018
7.	Shri Gaurav Goyal(DIN-06447437)	19.12.2018
8.	Shri Kuldeep Ranka(DIN-00279526)	20.12.2018
9.	Shri Sudersan Sethi(DIN-02316623)	19.03.2019
10.	Dr. Subodh Agarwal(DIN-06940604)	19.03.2019
11.	Sh. Niranjan Kumar Arya(DIN-03386987)	19.03.2019
12.	Shri Alok(DIN-02600247)	19.03.2019
13.	Shri Krishna Kant Pathak(DIN-08328847)	19.03.2019
14.	Shri Sanjay Malhotra(DIN-0992744)	19.03.2019

Shri Kuldep Ranka (DIN-00279526) was appointed as Chairman and Shri Gaurav Goyal (DIN-06447437) was appointed as Managing Director of the Company, with effect from 19th December and 20th December 2018 respectively, in place of Shri Rajeeva Swarup.

Following ceased to be directors of the company:

Sl. No.	Name of Directors – DIN	Date of cessation
1.	Dr. Tina Soni(DIN-07720240)	16.05.2018
2.	Sh. Khemraj Choudhary(DIN-05303449)	17.05.2018
3.	Sh. Devendra Bhushan Gupta(DIN-00225916)	17.05.2018
4.	Shri Kunji Lal Meena(DIN-05220511)	17.05.2018
5.	Shri Anoop Khinchi(DIN-06692712)	18.06.2018

6.	Smt. Manju Rajpal (DIN07825977)	26.07.2018
7.	Shri Krishna Kunal(DIN-07551111)	06.08.2018
8.	Shri Rajeeva Swarup(DIN-01142865)	20.12.2018
9.	Shri Raman Kumar Sharma(DIN-01381382)	24.1.2019
10.	Shri Anil Bafna(DIN-01051948)	24.1.2019
11.	Smt. Aparna Arora(DIN-02360232)	19.3.2019
12.	Shri Mukesh Kumar Sharma(DIN-02087671)	19.3.2019
13.	Shri Naveen Mahajan(DIN-01890995)	19.3.2019
14.	Dr. Samit Sharma(DIN-03494438)	19.3.2019

Shri Raman Kumar Sharma (DIN-01381382) and Shri Anil Bafna (DIN-01051948), two Independent Directors, resigned on 24th January 2019 and the same has been accepted.

The Board places on record its sincere appreciation of the contribution made by the outgoing Chairman, Managing Director and Directors during their tenure as members of the Board.

MEETINGS OF BOARD

Five meetings of the Board of Directors were held during the financial year 2018-19 on 29.06.2018, 10.08.2018, 31.08.2018, 26.12.2018 and 29.3.2019.

The attendance of the Directors at Board Meetings was as under:

S.No.	Name of Director	Attendance during 2018-19
1.	Shri Rajeeva Swarup	3/3
2.	Shri Kuldeep Ranka	2/2
3.	Shri Niranjana Kumar Arya	1/1
4.	Shri Sudershan Sethi	0/1
5.	Shri Krishna Kant Pathak	0/1
6.	Shri Sanjay Malhotra	1/1
7.	Shri Gaurav Goyal	2/2
8.	Smt. Aparna Arora	1/4
9.	Dr. Subodh Agarwal	1/1
10.	Shri Alok	0/1
11.	Shri Naveen Mahajan	0/3
12.	Smt. Manju Rajpal	0/1
13.	Shri Krishna Kunal	1/1
14.	Dr. Samit Sharma	2/3
15.	Shri Raman Kumar Sharma	2/4
16.	Shri Anil Bafna	2/4

AUDIT COMMITTEE

A meeting of the Committee was held on 31.8.2018 during the financial year 2018-19 and attendance of members at the meeting was as follows:

Name of Member	Nos. of meetings attended	Remarks
Dr. Samit Sharma	1/1	Appointed as Chairman w.e.f. 6.08.2018.
Shri Raman Kumar Sharma	1/1	Appointed as member w.e.f. 14.05.2015.
Shri Anil Bafna	0/1	Appointed as member w.e.f. 14.05.2015.

As Shri Raman Kumar Sharma and Shri Anil Bafna, both members of Audit Committee, have resigned from the Board of the Company on 24.1.2019, Shri Krishna Kant Pathak, Member and Chairman remained only in Audit Committee, as on 31st March 2019. CFO/FA is a permanent invitee and the Company Secretary is the Secretary of the Committee. The appointment of new Independent Directors is awaited.

VIGIL MECHANISM

There exists established vigil mechanism for directors and employees for reporting genuine concerns in the manner as prescribed by the Managing Director. The vigil mechanism provides for adequate safeguard against victimization of persons who used such mechanism and make provisions for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. The Audit Committee of the Board will also oversee the vigil mechanism.

NOMINATION & REMUNERATION COMMITTEE

In Compliance to the provisions of the Companies Act, 2013, the Nomination and Remuneration Committee has been constituted. The last Constitution of the Committee was Secretary Mines & Petroleum (Director) and both the Independent Directors.

CSR COMMITTEE

In Compliance to the provisions of the Companies Act, 2013, the Corporate Social Responsibility Committee has been constituted. A report on CSR activities is enclosed as Annexure-I forming part of this report.

AUDITORS & AUDITORS' REPORT: STATUTORY AUDITOR

The Comptroller & Auditor General of India, New Delhi, appointed M/s Jain Shah & Co., Chartered Accountants, Jaipur Firm Reg. No.002819C) as auditors for auditing the accounts of the company for the financial year ending 31st March 2019. The replies of the Board to the independent Auditors' Report are enclosed with the Annual Report which forms part of Board's Report.

COST AUDITOR

The Board has appointed M/s A. Goyal & Co., Cost Accountants, Jaipur (Firm Registration No. 101308) for conducting the audit of cost records of the company for the financial year 2018-19.

SECRETARIAL AUDITOR

As per provisions of section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, M/s. ARMS & Associates LLP, Practicing Company Secretaries, Jaipur, (Firm Registration No. P2011RJ023700) were appointed to conduct Secretarial Audit for the financial year 2018-19. The Secretarial Audit Report for the financial year ended on 31st March 2019 is annexed herewith and marked as Annexure - II and form part to this Report. The Report is self explanatory.

PARTICULARS OF EMPLOYEES

None of the employees of the company fall under the purview of the provisions of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS & OUTGO

Disclosure of particulars in respect to Conservation of Energy, Technology Absorption is not applicable in view of nature of business of the company. However, in an effort to conserve energy, your company has installed/replaced about 17900 nos. energy efficient LED street lights in various industrial areas to replace old conventional street lights.

EXTRACT OF ANNUAL RETURN

Extract of Annual Return of the Company for FY 2018-19 is enclosed as Annexure-III to this Report and forms part of this report.

SUSTAINABLE DEVELOPMENT

Your Company's aspirations of sustaining and enhancing its long term growth plans are well balanced by its conscious commitments to society and in its principles of conducting business in a fully compliant manner. Your Company partakes in letter and spirit its intention of being a responsible corporate citizen and is committed to contribute positively in all activities pertaining to environmental protection, health, safety, energy conservation and societal commitments while at the same time continuing to protect and enhance all stakeholders' interests.

RISK MANAGEMENT POLICY

Your company has appropriate risk management systems in place for identification and assessment of risks, measures to mitigate them, and mechanisms for their proper and timely monitoring and reporting. The Management periodically reviews implementation and monitoring of the risk management plan for the company.

INTERNAL FINANCIAL CONTROLS

The Company has adequate in-built internal financial controls and to check its veracity internal audit is being carried out by external independent firms of Chartered Accountants. The firms carry out internal audit of company's operations and report its findings to the management. The

audit also evaluate the functioning and quality of internal controls and provides assurance of its adequacy and effectiveness through periodic reporting. Internal audit is carried out as per risk based internal audit plan. The management periodically reviews the findings and suggestions for improvement and is apprised on the implementation status in respect of the actionable items.

REPORT ON PERFORMANCE AND FINANCIAL POSITION OF ASSOCIATES AND JOINT VENTURE COMPANY:

A Report on performance and financial position of Associates and Joint Venture Company is enclosed as Annexure-IV forming part to this report.

RELATED PARTY TRANSACTIONS

No Related Party Transaction was done during FY 2018-19.

RESPONSIBILITY STATEMENT

In pursuance to the requirement under Section 134(3)(c) of the companies Act, 2013, your Directors report that:

1. Accounting standards were followed to the extent possible and practical in preparation of annual accounts for the year under review.
2. Accounting policies are applied consistently to give a true and fair view of the state of affairs of the company as at 31st March 2019 and of the profit for the year ended on that date.
3. Proper and sufficient care has been taken for maintenance of adequate accounting records, of safe-guarding the assets of the company and for preventing and detecting fraud and other irregularities; and
4. Accounts have been prepared on a going concern concept basis.
5. Proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

GENERAL

Your directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
5. There is no change in the nature of business.
6. There have been no material changes and commitments affecting the financial position of the company between the end of the financial year and the date of the report.
7. There have been no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

ACKNOWLEDGEMENT

The Directors express their sincere appreciation for the co-operation and assistance received from various departments of the State and Central Government, Bankers, Rajasthan Financial Corporation, the Internal, Secretarial, Cost & Statutory Auditors and all the business constituents. The Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all officers and staff, resulting in successful performance of the company year after year.

For and on behalf of the Board of Directors,

Kuldeep Ranka
Chairman
DIN- 00279526

Place: Jaipur
Date: 18th December, 2019