

RattanIndia Infrastructure Limited

Annual Report
2018



RattanIndia Infrastructure Limited

Corporate Information 2

Management Discussion and Analysis 3

Board’s Report 6

Report on Corporate Governance 28

Standalone Financials..... 43

Consolidated Financials..... 73

Corporate Information

RattanIndia Infrastructure Limited (Formerly known as Indiabulls Infrastructure and Power Limited)

Board of Directors

Mr. Rajiv Rattan
Mrs. Anjali Nashier (upto March 30, 2018)
Mrs. Namita (w.e.f. March 30, 2018)
Mr. Debashis Gupta
Mr. Narayanasany Jeevagan
Mr. Sanjiv Chhikara
Mr. Yashish Dahiya (upto October 12, 2017)

Company Secretary

Mr. R K Agarwal

Chief Financial Officer

Mr. Arun Chopra

Manager

Mr. Raghunandan Kumar Sharma

Statutory Auditors

Sharma Goel & Co. LLP
Chartered Accountants,
Y -59, Hauz Khas,
New Delhi – 110 016

Secretarial Auditors

S. Khandelwal & Co.
Company Secretaries
C-65, LGF, Malviya Nagar,
New Delhi – 110017

Internal Auditor

Mr. Amit Jain

Registrar and Transfer Agent

Karvy Computershare Private Limited
Karvy Selenium Tower-B, Plot No. 31 & 32, Financial District,
Gachibowli, Nanakramguda, Serilingampally,
Hyderabad – 500 032

Registered & Corporate Office

5th Floor, Tower – B,
Worldmark - 1, Aerocity, New Delhi – 110 037
Website: www.rattanindia.com/ril

Bankers

HDFC Bank Limited
State Bank of India

ECONOMIC OVERVIEW

IMF projected, India to grow at 7.4% of its GDP in FY18 as compared to China's 6.6%, making it the fastest growing economy among emerging economies. The World Bank in its India Economic Update expects the economic growth to accelerate to 7.3% in FY19 and 7.5% in FY20. In FY18, the first half of the year was impacted by issues such as lingering effects of demonetization, difficulties in implementation of Goods and Service Tax (GST). However, in the second half of the year the economy witnessed robust signs of revival. Economic growth improved, corrective actions were taken, and the global economic recovery boosted exports. Recent sovereign ratings upgrade and jump in World Bank's Ease of Doing Business rankings are endorsements of government reforms and policies. The private consumption growth remained flat in 2017-18, while government consumption recorded a higher growth for the year. Going forward, investments are expected to revive as the corporate sector adjusts to the GST, which over the medium term is expected to benefit economic activity by reducing the transaction cost of tax compliance, drawing informal activity into the formal sector and expanding the overall tax base.



Mr. Rajiv Rattan

Chairman

While India remains one of the fastest growing major economies in the world, the pace of economic growth in recent years has remained below the desired levels and the country's potential. Stagnation in the manufacturing sector needs to be reversed at the earliest towards the creation of sustainable livelihoods and absorption of millions of Indians entering the job market every year. The successful implementation of structural initiatives identified by the Government towards improving the ease of doing business in the country by enhancing transparency, speeding up the approvals process, resolving policy issues and fostering greater levels of value addition within the country would be crucial to boost the performance of the Indian economy and realize its true potential.

INDUSTRY OVERVIEW

Infrastructure sector is a key driver for the Indian economy. The sector is highly responsible for propelling India's overall development and enjoys intense focus from Government for initiating policies that would ensure time-bound creation of world class infrastructure in the country. Infrastructure sector includes power, bridges, dams, roads and urban infrastructure development. The infrastructure sector, comprising of connectivity, communication and essential facilities, forms an economy's foundation and is an important determinant of economic growth. The sector is a key growth driver for the Indian economy and plays a significant role in the economy's overall development process. The Global Infrastructure Outlook reflects that rising income levels and economic prosperity is likely to further drive demand for infrastructure investment in India over the next 25 years. Governments continue to demonstrate a strong desire and ambition to invest in infrastructure, both as a path to economic growth and as a way to hold back the rising tide of populism. New technologies and rapid innovation are creating new approaches, models and tools for infrastructure development and helping to bring down costs. The quest to identify new pricing and funding models offers the potential to unblock pipelines and unleash a new era of rapid development and new perspectives on key issues such as sustainability, governance and investment are driving greater sophistication in many markets. A new dawn may be rising.

Development of a country depends very much on the availability of its infrastructural facilities. The development of agriculture and industry depends solely on its infrastructure. Without having a sound infrastructural base a country cannot develop its economy. More important and difficult job in the development process of the country is to provide the basic infrastructural facilities. The Government of India is expected to invest highly in the infrastructure sector, mainly highways, renewable energy and urban transport, prior to the general elections in 2019. The Government of India is taking every possible initiative to boost the infrastructure sector.

BUSINESS OVERVIEW

During the year under review, the Company has posted net loss of ₹ 190.07 lacs. Your Company is looking for consultancy options in generation, transmission and distribution of power. We understand the dynamics of these areas and our goal is to maintain effective relationships with stakeholders by using the extensive knowledge to benefit our clients.

Management Discussion and Analysis (contd.)

The Company's major investment is in RattanIndia Power Limited (RPL). Brief review of the Projects of RPL is as under:

RPL is developing two coal based thermal power projects with an aggregate capacity of 5,400 MW, being developed in two phases of 2,700 MW each, in the State of Maharashtra viz. 2,700 MW project at Nandgaonpeth in Amravati district and another 2,700 MW project at Sinnar in Nasik district.

Amravati Thermal Power Project - Phase-I (1,350 MW):

All five Units of Phase-1 have been successfully commissioned and are supplying Power to MSEDC. As per PPA, MSEDC is responsible for evacuation of power from ex-bus of power plant. A dedicated Railway Siding has also been made operational which is hauling coal directly to the Plant by rail.

Nashik Thermal Power Project - Phase-I (1,350 MW):

All five units of Phase-1 of the project are commissioned. RPL through its wholly owned subsidiary, RattanIndia Nasik Power Limited has signed FSA for this Project with Mahanadi Coalfields Limited (MCL) & South Eastern Coalfields Limited (SECL). Although phase-I of Nashik TPP was fully commissioned in June 2017 and the plant had approval for 950 MW power procurement from Government of Maharashtra, subject to approval from MERC and although MERC approved the PPA, due to subsequent litigation, the PPA could not be implemented. With Supreme Court order in place the path has been cleared for entering into PPA with MSEDC. However, due to prolonged delay in adjudication of dispute BEST has backed out from purchasing 300 MW power.

COMPETITIVE STRENGTHS

India today is considered to be one of the major forces in the global economic market. Your company understands the market dynamics and therefore strives to cater to clients with its extensive knowledge in areas of Generation, Transmission and Distribution. Our advisory services are currently oriented towards power sector in India. The Company's technically qualified and managerial manpower is well supported by excellent infrastructure and knowledge management facilities to deliver the client qualitative and cost effective solution in a time bound manner, meeting the global standards. Your Company's major competitive strengths are strong and experienced technical team with vast experience of developing Mega Thermal Power Plants and bidding for long term power purchase agreements through tariff based competitive bidding process. Your company has a strong regulatory perspective and is well versed with risks and commercial arrangements associated with development, construction and commissioning of various generation, transmission and distribution schemes.

Your Company has following competitive strengths which will enable it to take advantage of growth opportunities in Indian power sector:

Experienced senior management team

Your Company's senior executives have extensive experience in the power industry and your Company is confident that the senior management's expertise will play a key role in the growth of your Company's business. In addition, the skills and diversity of senior management team give us flexibility to respond to changes in the business environment.

Highly experienced team

Your Company has recruited experts from various areas such as operations, project management, engineering and technology and has in-depth knowledge of their areas. This is a valuable resource to its clients and distinguishes your Company from its competitors.

The other principle competitive strengths are:

- Strategically positioned to realize opportunities in the infrastructure sector
- Qualified and experienced employees and proven management team
- Well balanced Board of Directors team.

STRATEGY

Your Company firmly believes that the most important aspect of competitive advantage is presence of experienced management team, strong systems and process, dedicated, committed & motivated staff managing its business activities.

The key components of your Company's strategy include:

Grow the client base

Your Company has strategy in place to increase the client base in the rapidly expanding infrastructure market in India. The company will expand its geographic presence and the range of services. Your Company will enhance its brand recognition through marketing initiatives in order to strengthen its position among potential clients.

Leverage the management team's experience

Your Company's management team is highly skilled and has vast experience in power sector which will enable us to achieve our growth objectives. The management team is well connected to executive level management at utilities, regulators, vendors, technology leaders and investment professionals which would help us to grow our client base.

Strong end-to-end service offerings

Your Company will offer end to end and customized service which would enable us to increase revenue from research, advisory and consulting services.

HUMAN RESOURCES

Your Company has been continuously working to improve human resources skills, competencies and capabilities in the Company, which is critical to achieve desired results in lines with its strategic business ambitions. Your company's human resource policy provides an environment that motivates its employees to realize their full potential. Your Company respects each employee, motivates them and try to offer opportunities based on their skill sets and in this process builds mutually benefiting relations between the Company and its employees. Your company has put in place a policy that not only increase productivity but also increases job satisfaction of its employees.

Your Company has strengthened the goal setting and measurement process with structured development plans for high potential people to move into different roles. Your company has placed a recruitment system in the organization wherein right candidate with right skills is recruited for the position. Your company has established systems, which aims to provide training to employees at every level of the organization that leads to quality work output in their assigned work.

INTERNAL CONTROL SYSTEMS

Your Company has an adequate system of internal financial controls commensurate with its size and scale of operations, procedures and policies, ensuring orderly and efficient conduct of its business, including adherence of the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records and timely preparation of reliable financial information. The Internal Audit Reports are reviewed periodically by the Audit Committee of the Board of Directors so that measures if any needed for strengthening of the same, with the changing business needs of the Company, can be taken. Your Company believes that internal control is a necessary concomitant of the principle of governance that freedom of management should be exercised within a framework of appropriate checks and balances.

The internal control system involves a compliance management team with the established policies, norms and practices as also the applicable statutes and rules and regulations with an inbuilt system of checks and balances so that appropriate and immediate corrective actions are initiated in the right earnest in the event of any deviations from the stipulated standards and parameters.

RISK MANAGEMENT

The Company has laid down code to inform board members about the risk assessment and minimization procedures. The Company manages, monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. The Risk Management Policy of the Company primarily focuses on identifying, assessing and managing risks in the areas of — Company's assets and property, Employees, Foreign Currency Risks, Operational Risks, Non-compliance of statutory enactments, Competition Risks and Contractual Risks.

CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis Report describing the Company's Objectives, projections, estimates and expectations, may be forward looking statements within the meaning of applicable laws and Regulations and the actual results might differ from those expressed or implied herein.

The Company is not under any obligation to publicly amend, modify or revise any such forward looking statements on the basis of any subsequent developments, information or events.

Board's Report

Dear Shareholders,

Your Directors present to you the Eighth Annual Report of the Company together with the audited financial statements for the financial year ended March 31, 2018.

FINANCIAL RESULTS

The summary of the financial results of the Company for the financial year ended March 31, 2018, is as under-

Particulars	(₹ in lakhs)	
	Standalone March 31, 2018	March 31, 2017
Revenue from operations	-	-
Profit/(Loss) from operations before other income, finance costs and exceptional items	(193.90)	(538.14)
Other income	4.19	21.97
Finance costs	-	-
Exceptional items	-	-
Loss before Tax	(189.71)	(516.17)
Tax Expense	-	(5.08)
Loss for the year	(189.71)	(511.09)
Other comprehensive income	(0.36)	38.68
Total comprehensive income for the year	(190.07)	(472.41)
Paid-up equity share capital (face value of ₹ 2 each)	27,645.39	27,645.39
Other equity	40,170.09	40,360.16
Earning per shares (in ₹)	(0.0138)	(0.0342)

Further, the details of performance of associate is getting reflected in the consolidated financial statements, which forms a part of the Annual Report.

GENERAL RESERVE

In view of the losses incurred during the financial year ended March 31, 2018, it has not been possible to transfer any amount to general reserve.

BUSINESS REVIEW

During the year under review, the Company has posted net loss of ₹ 190.07 lacs. Your Company is looking for consultancy options in generation, transmission and distribution of power. We understand the dynamics of these areas and our goal is to maintain effective relationships with stakeholders by using the extensive knowledge to benefit our clients.

SHARE CAPITAL

There was no change in the paid up equity share capital of the Company during the Financial Year 2017-18. The paid up equity share capital of the Company is ₹ 2,764,539,184 divided into 1,382,269,592 equity shares of ₹ 2/- each.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN END OF FINANCIAL YEAR AND THE DATE OF REPORT

Subsequent to the end of the financial year on March 31, 2018 till date, there has been no material change and / or commitment which may affect the financial position of the Company.

DIVIDEND

No dividend has been recommended for the year ended March 31, 2018.

DIRECTORS/ KEY MANAGERIAL PERSONNEL (KMP) DETAILS

Mr. Raghunandan Kumar Sharma (PAN: AEZPS2240F), a qualified Electrical Engineer with a rich and varied experience in the Power sector was appointed as the Manager and thereby a Key Managerial Personnel of the Company, with effect from February 5, 2018.

Mrs. Namita (DIN: 08058824), a young and dynamic Management and Law graduate with rich experience in the field of Human Resource Development in various industrial sectors such as power, cement, mining etc. was appointed as Woman Director on the Board of the Company, with effect from March 30, 2018.

The Board of Directors recommends confirmation to the appointment of Mr. Raghunandan Kumar Sharma as Manager and Mrs. Namita as a regular director of the Company.

Mr. Yashish Dahiya one of the Independent Directors resigned from the Board of the Company w.e.f. October 12, 2017. Mrs. Anjali Nashier a Non-Executive Director resigned from the Board of the Company w.e.f. March 30, 2018. The Board has placed on record its deep appreciation for the services rendered by Mr. Dahiya and Mrs. Nashier during their association on the Board of the Company.

Mr. Rajiv Rattan, the Chairman of the Company and a Whole-time Director on the Board of the Company was designated as a non-executive director on the Board of the Company effective February 5, 2018.

The Board has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under sub-section 7 of Section 149 of the Act, and in the opinion of the Board they fulfill the conditions specified in the Act and the Rules made thereunder and are Independent of the management.

The other key managerial personnel of the Company are Mr. Arun Chopra, Chief Financial Officer and Mr. R. K. Agarwal, Company Secretary.

COMPANY'S POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS

As mandated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Section 178 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014, the Company has a Nomination and Remuneration Committee in place, the constitution, the terms of reference and the scope of responsibility whereof are described in the Report on Corporate Governance, forming part of the Annual Report.

The selection and appointment of Directors and their remuneration owes its genesis to the policy formulated by the Nomination and Remuneration Committee within the four corners of its charter and scope of responsibility with due consideration to the stipulations under various applicable enactments and regulations, primarily including the Companies Act, 2013 and in particular Section 178(3) thereof, the Listing Regulations and the Income Tax Act, 1961. In formulating the policy, care has been taken to ensure that criteria laid down therein enable the Company to strike a balance between what is mandated by law, in letter as well as spirit, the principles of sound corporate governance, the functional requirements of the Company and the industry norms. It would be pertinent to mention here that the Policy is subject to periodic review by the Nomination and Remuneration Committee. The Policy may be accessed on Company's website at the link: <http://www.rattanindia.com/ril/investor-contacts/>.

EVALUATION OF PERFORMANCE OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Regular evaluation of the performance of the individual directors, the Board of Directors as a whole and the various committees of the Board, is not merely a legal requirement for the Company but a feature of its overall work policy, towards which end a periodic performance evaluation exercise is carried out in the Company so as to ensure that the performance of the Board, the individual directors and the various Board Committees adheres to and in fact goes beyond the standards laid down for the purpose and in the event of any deviations between the actual and the standardized performance coming to light, immediate and necessary rectifications are effected.

As in the previous financial years, an annual evaluation of performance of the Board, the various Board Committees and the individual directors, the evaluation exercise carried out in the financial year 2017-18 involved the following:

- (a) Proper analysis of the laid down performance standards so as to ascertain as to whether any modifications were required in the same due to the change in the circumstances pertinent to the business of the Company, the developments in the business, the regulatory changes and the socio economic as well as geo political environment within and outside the Country, with the passage of time since the time, these standards had been laid down. The necessary adjustments/ modifications in such standards were made, wherever so required.
- (b) making the Board and the individual directors aware of the aforesaid modifications and circulating questionnaires, carefully drawn up in line with the performance standards and after factoring in the business and operational developments and changes, the financial and operational reports etc., among them so as to gather their feedback on the processes of the Board, processes of the individual committees and performance and functional efficacy and activeness of the individual directors, with the nature and size of the Company operations, the operational advantages and bottlenecks, the skill sets, knowledge and expertise of various directors.

Board's Report (contd.)

- (c) A detailed study and evaluation of the responses so received and taking the measures dictated by such responses to initiate remedial measures wherever required.

It would be pertinent to mention here that performance evaluation of the Non-Independent Directors is carried out by Independent Directors who also assess the quantity, quality and timeliness of flow of information between the Company management and Board.

SUBSIDIARIES / JOINT VENTURES / ASSOCIATE COMPANIES

There is no subsidiary of the Company nor is the Company in any joint venture with any other company. Further, there has been no change in the associate company of the Company, i.e. RattanIndia Power Limited. A report on the performance and financial position of the associate company in the form AOC-1, stipulated under Companies Act, 2013, is provided as an Annexure to the consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to the provisions of Sections 129, 134, 136 of the Companies Act, 2013 read with rules framed thereunder and pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has prepared a consolidated financial statement of the Company and its associate and a separate statement containing the salient features of financial statements of the associate in the form AOC-1 forms a part of the Annual Report. The financial statements as stated above, are also available on the website of the Company at <http://www.rattanindia.com/ril/annual-report/>

CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility Committee of the Company comprises of Mr. Sanjiv Chhikara as the Chairman and member and Mrs. Namita and Mr. Debashis Gupta as other members. The Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the CSR activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities.

The CSR Policy may be accessed on the Company's website at the link <http://www.rattanindia.com/ril/investor-contacts/>

The Annual Report on CSR forms a part of the Board's Report and is annexed herewith marked as Annexure 'A'.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of the provisions of Regulation 34(2)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management's Discussion and Analysis Report is presented in a separate section forming part of the Annual Report.

CORPORATE GOVERNANCE REPORT

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI. In terms of Regulation 34 read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance along with Compliance Certificate issued by a Practicing Company Secretary is attached to and forms integral part of this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(3)(c) of the Companies Act, 2013, the Directors state that:

1. in the preparation of the annual accounts for the year ended March 31, 2018, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
2. they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2018 and of the profit and loss account of the Company for the year ended on that date;
3. they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. they had prepared the annual accounts of the Company on a 'going concern' basis;

5. they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
6. they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: <http://www.rattanindia.com/ril/investor-contacts/>.

Since all Related Party Transactions entered into by the Company were in the ordinary course of business and at an arms-length basis, form AOC-2 is not applicable to the Company. However the details of various related party transactions entered into during the financial year 2017-2018 are adequately set out in the notes to Financial Statements.

RISK MANAGEMENT

The Company has laid down code to inform board members about the risk assessment and minimization procedures. The Company manages, monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. The Risk Management Policy of the Company primarily focuses on identifying, assessing and managing risks in the areas of — Company's assets and property, Employees, Foreign Currency Risks, Operational Risks, Non-compliance of statutory enactments, Competition Risks and Contractual Risks.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

In terms of the provisions of Section 134(5)(e) of the Companies Act, 2013, the Directors are enjoined with the responsibility of ensuring that adequate systems of financial control are in place and operational in the Company. The Board of Directors have devised and effectuated a system of internal control commensurate with the nature and size of operations of the Company, covering within its ambit every sphere of operations and activities including more particularly the financial controls.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls.

AUDITORS & AUDITORS' REPORT

In the fourth Annual General Meeting of the Company held on September 30, 2014, M/s Sharma Goel & Co. LLP, Chartered Accountants (Regn. No. 000643N), were appointed as Statutory Auditors of the Company up to the financial year 2018-19 i.e. till the conclusion of Ninth Annual General Meeting of the Company.

Vide notification dated May 7, 2018 issued by Ministry of Corporate Affairs, the requirement of seeking ratification of appointment of statutory auditors by members at each AGM has been done away with. Accordingly, no such item has been considered in notice of the 8th AGM.

The Notes on financial statement referred to in the Auditors' Report are self — explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

Pursuant to provisions of Section 143(12) of the Companies Act, 2013, the Statutory Auditors have not reported any incident of fraud during the year under review.

SECRETARIAL AUDITOR & SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s S Khandelwal & Co, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for the financial year ended March 31, 2018 is annexed herewith marked as Annexure 'B' to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.