



Ruchi Infrastructure Limited



34th Annual Report 2017-18

RUCHI INFRASTRUCTURE LIMITED

(CIN : L65990MH1984PLC033878)

ANNUAL REPORT 2017-18

Board of Directors

Ruchi Joshi
Krishna Das Gupta
Veeresh Malik (upto July 13, 2017)
Mohan Das Kabra (w.e.f. August 22, 2017)
Narendra Shah - Executive Director

Chief Financial Officer

Ravindra Kumar Kakani

Company Secretary

Ashish Mehta

Auditors

Ashok Khasgiwala & Co.,
Chartered Accountants

Bankers

South Indian Bank Ltd.
State Bank of India

Registrar & Share Transfer Agent

Sarthak Global Limited
170/10, Film Colony,
R.N.T. Marg,
Indore - 452 001.
Tel: +91 731 4279626, 2526388
e-mail: investors@sarthakglobal.com

Registered Office

615, Tulsiani Chambers, Nariman Point,
Mumbai - 400 021.
Tel: +91 22 6656 0600
Fax: +91 22 2204 3397
e-mail: ruchiiinfrastructural@ruchiinfrastructure.com
Website: www.ruchiinfrastructure.com

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FORWARD LOOKING STATEMENT

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Notice

Notice is hereby given that the Thirty Fourth Annual General Meeting of the members of Ruchi Infrastructure Limited will be held on Thursday, September 20, 2018 at 3.00 P.M. at Kilachand Conference Room, IMC Building, 2nd Floor, IMC Marg, Churchgate, Mumbai -400 020, Maharashtra, to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2018, the reports of Board of Directors and Auditors thereon; and the audited consolidated financial statements of the Company for the financial year ended March 31, 2018 and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT the stand-alone and consolidated Audited Financial Statements of the Company for the financial year ended March 31, 2018, the reports of Board of Directors and the Auditors thereon, be and are hereby received, considered and adopted."

2. To appoint a Director in place of Mr. Narendra Shah (DIN:02143172), who retires by rotation and being eligible, offers himself for re-appointment and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Narendra Shah (DIN:02143172), Director of the Company, retiring by rotation at 34th Annual General Meeting of the Company, being eligible for re-appointment, be and is hereby re-appointed as Director of the Company, who shall be liable to retire by rotation."

3. To ratify the appointment of Auditors and to fix their remuneration and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 as amended from time to time and subject to the resolution passed by the members at the 30th Annual General Meeting of the Company held on September 26, 2014, approving the appointment of M/s. Ashok Khasgiwala & Co., Chartered Accountants (Firm Registration No. 0743C), as the Statutory Auditors of the Company to hold office till the conclusion of the 35th Annual General Meeting, the Company hereby ratifies such appointment from the conclusion of 34th Annual General Meeting until the conclusion of the Annual General Meeting to be held for the financial year 2018-19 on such remuneration as may be determined by the Board of Directors of the Company."

Registered Office:

By order of the Board of Directors

Ruchi Infrastructure Ltd.

615, Tulsiani Chambers, Nariman Point,
Mumbai – 400 021

Date : August 8, 2018

Place : Indore

Ashish Mehta
Company Secretary

PROFILE OF MR. NARENDRA SHAH, DIRECTOR OF THE COMPANY, WHO IS AVAILABLE FOR RE-APPOINTMENT AT THE 34TH ANNUAL GENERAL MEETING PURSUANT TO SECRETARIAL STANDARD ON GENERAL MEETING (SS-2) AND REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Mr. Narendra Shah is 62 years old and holds Masters Degree in Commerce and LLB from Sagar University, Madhya Pradesh. He has more than 38 years experience in the field of account and finance and is associated with the Company since 1986. He is actively involved in taxation, finance and business operations of the Company since last three decades. He was appointed on the Board of Directors on April 8, 2016, liable to retire by rotation and is retiring at this Annual General Meeting.

He is not related to any director or key managerial personnel of the Company and does not hold any equity shares of the Company. He has attended all meetings of the Board held during the financial year 2017-18 and has drawn remuneration of Rs. 40.50 Lakh as the Executive Director of the Company for the financial year 2017-18. He is not on the Board and Committees of any other listed entity. He is on the Boards of Peninsular Tankers Pvt. Ltd., Union Infrastructure Solutions Pvt. Ltd. and Mangalore Liquid Impex Pvt. Ltd. None of the directors of the Company holds any equity shares of the Company.

Notice (Contd.)

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM DULY COMPLETED AND SIGNED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other shareholder.

2. It terms of Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2, the particulars of Mr. Narendra Shah, who is proposed to be re-appointed, are appended to the Notice of 34th Annual General Meeting of the Company.
3. Corporate members/Societies intending to send their authorized representative to attend the Annual General Meeting are requested to send a duly certified copy of Board Resolution to the Company or upload it on the e-voting portal, authorizing their representative to attend and vote on their behalf at the Annual General Meeting.
4. During the period beginning twenty-four hours before the time fixed for commencement of the meeting and ending with the conclusion of the meeting, a member entitled to vote at the meeting is entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided that not less than three days of notice of such intention to inspect is given in writing to the Company.
5. Members, proxies and authorized representatives attending the meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting hall.
6. Members, proxies and authorized representatives are requested to bring their copies of the Annual Report at the time of attending the Annual General Meeting.
7. In case of joint holders attending the meeting, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
8. Members seeking any information with regard to the accounts are requested to write to the Company at least ten days before the date of Annual General Meeting so as to enable the management to keep the information ready at the meeting.
9. Members who wish to claim their dividends that remain unclaimed are requested to correspond with the Company or to the Registrar and Share Transfer Agent. The amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company had, accordingly, transferred the unpaid and unclaimed dividend amount pertaining to dividend for the financial year 2009-10 to the IEPF within the stipulated time period during the year.
10. The members are requested to note that shares on which dividend remains unclaimed for seven consecutive years will also be transferred to the IEPF in terms of the provisions of Section 124 of the Companies Act, 2013 and the applicable rules made thereunder.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. SEBI has further strengthened the guidelines to raise industry standards for Companies and their RTAs vide its circular dated April 20, 2018 and has advised Company to take special efforts to collect copy of PAN and bank account details of members holding shares in physical form. Accordingly, a letter has been sent to such shareholders through Registered Post in July, 2018 and another reminder is being sent to them. Members holding shares in physical form are therefore, requested to submit their PAN and Bank Account Details to Registrar and Share Transfer Agent of the Company by sending a duly signed letter along with self-attested copy of PAN Card and original cancelled cheque.
12. The Annual Report 2017-18, the Notice of AGM along with the attendance slip/proxy form, are being sent by electronic mode to those members whose e-mail addresses are registered with the Company/depositories, unless any member has requested for a physical copy of the same. For members, who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. The members may note that the Notice of the 34th AGM and the Annual Report 2017-18 will also be available on the Company's website viz www.ruchiinfrastructure.com.
13. Members holding shares in physical form are requested to intimate changes pertaining to their bank account details, mandates, nominations, change of address, e-mail address etc., if any, to the Company or Company's Registrar and Share Transfer Agent. Members holding shares in electronic form must intimate the changes, if any, to their respective Depository Participants.
14. To support the "Green Initiative", the members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
15. The facility for making/varying/cancelling nominations is available for individual shareholders of the Company. Nominations can be made in Form SH-13 and any variation/cancellation thereof can be made by giving notice in Form SH-14,

Notice (Contd.)

prescribed under the Companies (Share Capital and Debentures) Rules, 2014 for the purpose. The forms can be obtained from the Company/Registrar and Share Transfer Agent or from the Website of the Ministry of Corporate Affairs at www.mca.gov.in.

16. The route map of the venue of the meeting is given at page no. 5 of the Annual Report. The prominent landmark for easy location of the venue of the Meeting is Churchgate station, Mumbai.
17. In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has provided a facility to its members to exercise their right to vote electronically at the 34th Annual General Meeting through the electronic voting (e-voting) service facilitated by the Central Depository Services (India) Limited (CDSL). The facility for voting through ballot paper will also be made available at the meeting and the members, who have not already cast their votes by remote e-voting shall be able to exercise their right to vote at the meeting through ballot paper. The members who have cast their votes by remote e-voting prior to the meeting may attend the meeting but shall not be entitled to cast their votes again.

A. The instructions for e-voting are as under:

- (i) The e-voting period commences on Saturday, September 15, 2018 at 10.00 AM and ends on Wednesday, September 19, 2018 at 5.00 PM. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. September 7, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- (ii) The voting rights of the members shall be in proportion to the paid-up value of their shares in the equity share capital of the Company as on the cut-off date. A person whose name is recorded in the Register of members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility for remote e-voting as well as voting at the meeting.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders / Members.
- (v) Now enter your user ID as under :-
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Characters DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter folio number registered with the Company.
- (vi) Next enter the Image Verification as displayed and click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits, enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters e.g. if your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or Company, please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

Notice (Contd.)

- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - (xii) Click on the EVSN for **“RUCHI INFRASTRUCTURE LIMITED”**.
 - (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 - (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
 - (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
 - (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
 - (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
 - (xviii) If a demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - (xix) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
 - (xx) Note for Non - Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a compliance user id using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be emailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- B. The Board of Directors of the Company has appointed Mr. Prashant D. Diwan, Practicing Company Secretary as the Scrutinizer to scrutinize the remote e-voting/ballot process in a fair and transparent manner.
- C. The Scrutinizer shall not later than 48 hours of conclusion of 34th Annual General Meeting, submit a consolidated scrutinizer’s report to the Executive Director of the Company, who shall declare the results forthwith.

Route Map for Meeting Venue



Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the Thirty Fourth Annual Report together with the Audited Financial Statements of the Company for the year ended March 31, 2018.

FINANCIAL RESULTS

(₹ in Crore)

Particulars	2017-2018	2016-2017
Revenue from operations	36.59	293.39
Profit/(Loss) before Depreciation, Tax and Exceptional Items	1.20	10.78
Exceptional Items	—	1.04
Profit before depreciation and tax	1.20	9.74
Depreciation	13.35	9.92
Profit before taxation	(12.15)	(0.18)
Provision for taxation	4.47	0.59
Profit/(Loss) after taxation	(7.68)	0.41
Balance brought forward from previous year	4.49	3.96
Remeasurement of the defined benefit plans through other comprehensive income	—	0.12
Balance as at end of year	(3.19)	4.49

OPERATIONS AND STATE OF AFFAIRS

The Company recorded revenue of Rs. 36.59 Crore from operations during the financial year under review as against ₹ 293.39 Crore in the previous financial year. The earnings before depreciation and tax (EBDT) during the year under review were ₹ 1.20 Crore as against that of ₹ 9.74 Crore during the previous year. The loss (after tax) of the Company for the year under review was ₹ 7.68 Crore as against profit (after tax) of ₹ 0.41 Crore recorded during the previous financial year. Decline in revenue as compared to previous financial year is due to the conscious scaling down of commodities trading activities.

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate and the date of this Report. There is no change in the nature of business during the year under review.

INDIAN ACCOUNTING STANDARDS (Ind AS)

As mandated by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards from April 1, 2017 with transition date of April 1, 2016. The financial statements (standalone and consolidated) of the Company for the financial year 2017-18 have been prepared in accordance with the Indian Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 and the other recognized accounting practices and policies to the extent applicable. The audited consolidated financial statements together with Auditors' Report form part of the Annual Report. The Auditor's Report does not contain any qualification, reservation or adverse remarks or disclaimer.

TRANSFER TO RESERVES

The Company has not transferred any amount to the reserves during the current financial year.

DIVIDEND

The Directors regret the inability to propose any dividend for the year under review.

DIRECTORS

As per the provisions of Section 152 of the Companies Act, 2013, Mr. Narendra Shah, Director of the Company retires by rotation at the 34th Annual General Meeting and being eligible, offers himself for re-appointment.

Directors' Report (Contd.)

During the year, the members of the Company at their 33rd Annual General Meeting held on September 27, 2017, had appointed Mrs. Ruchi Joshi and Mr. Mohan Das Kabra as Independent Directors of the Company for a period of three years with effect from September 27, 2017, not liable to retire by rotation, pursuant to the provisions of Section 149, 152 read with Schedule IV to the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mr. Veeresh Malik vacated the office of Independent Director with effect from July 13, 2017. The Board of Directors extended gratitude for valuable contribution made by him during his tenure.

All Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

None of the Directors of your Company is disqualified for being appointed as Director, as specified in Section 164(2) of the Companies Act, 2013 read with Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014. During the year under review, Executive Director of the Company did not receive any remuneration or commission from any of its subsidiaries of the Company.

Necessary information required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards in respect of the re-appointment of Director (including his brief profile) at the ensuing Annual General Meeting is given in the Notice of the 34th AGM of the Company.

The details of programs for familiarization of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are available on the website of the Company i.e. www.ruchiinfrastructure.com.

KEY MANAGERIAL PERSONNEL

The Key Managerial Personnel of the Company are as follows:

Mr. Narendra Shah, Executive Director

Mr. Ravindra Kumar Kakani, Chief Financial Officer

Mr. Ashish Mehta, Company Secretary

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, your directors confirm that:

- a) in the preparation of the annual accounts for the financial year ended March 31, 2018, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors 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 March 31, 2018 and of the loss of the Company for that period;
- c) the directors 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;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The annual evaluation of the performance of the Board, its committees and of individual directors has been made in the manner as enumerated in the Nomination, Remuneration and Evaluation Policy as well as, in accordance with the provisions of Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The performance evaluation of Independent Directors was carried out by the entire Board excluding the Director being evaluated; and the performance evaluation of the Executive Director and the Board as whole was carried out by the Independent Directors.

Directors' Report (Contd.)

MEETINGS OF THE BOARD

The Board of Directors of the Company met five times during the financial year 2017-18. The meetings were held on May 30, 2017, August 22, 2017, September 14, 2017, December 5, 2017 and February 14, 2018.

EXTRACT OF ANNUAL RETURN

An extract of the Annual Return of the Company in form MGT-9 in accordance with Section 92(3) of the Companies Act, 2013 and relevant rules made thereunder is annexed herewith as **Annexure I** to this report.

AUDITOR AND AUDITORS' REPORT

STATUTORY AUDITORS

M/s. Ashok Khasgiwala & Co., Chartered Accountants (Firm Registration No. 0743C) were appointed as Statutory Auditors of the Company in the 30th Annual General Meeting of the Company for a period of five years i.e. until the conclusion of the 35th Annual General Meeting of the Company, subject to ratification of their appointment by members at every Annual General Meeting held after the 30th AGM. The Board proposes ratification of the appointment of M/s. Ashok Khasgiwala & Co., Chartered Accountants as Statutory Auditors of the Company for approval of the members in the ensuing Annual General Meeting.

M/s. Ashok Khasgiwala & Co., Chartered Accountants have given a written consent and certificate to the effect that the ratification of their appointment, if made, would be in accordance with the provisions of Section 139 and 141 of the Companies Act, 2013. As required under Regulation 33(1)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The notes on financial statements 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, adverse remark or disclaimer.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Secretarial Audit Report for the financial year ended March 31, 2018 issued by Mr. Prashant Diwan, Practising Company Secretary is annexed herewith as **Annexure II** and is self explanatory. The Board has advised the promoters to comply with provisions of Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, pertaining to dematerialization of their shareholding.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Your Company has three subsidiaries as at March 31, 2018 i.e. Mangalore Liquid Impex Pvt. Ltd., Peninsular Tankers Pvt. Ltd. and Ruchi Renewable Energy Pvt. Ltd. The Company does not have any joint venture or associate Company during the year under review; however financials of an associate partnership firm, namely, Narang & Ruchi Developers have been consolidated in terms of applicable Accounting Standards.

The statement containing salient features of the financial statements of its Subsidiary Companies and their contribution to the overall performance of the Company during the period is attached with the financial statements of the Company in form AOC-1. The Annual Report of your Company, containing inter alia the audited standalone and consolidated financial statements, has been placed on the website of the Company at www.ruchiinfrastructure.com. Further, the audited financial statements together with related information of each of the subsidiary Companies have also been placed on the website of the Company at www.ruchiinfrastructure.com.

The policy for determining material subsidiary as approved by the Board of Directors of the Company is available on the website of the Company at www.ruchiinfrastructure.com.

PARTICULARS OF LOANS/ADVANCES, GUARANTEES, INVESTMENTS AND SECURITIES

Particulars of loans/advances, investments, guarantees made and securities provided during the year as required under the provisions of Section 186 of the Companies Act, 2013 and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are provided in the notes to the standalone financial statements (Please refer Note 39 and 40 to the standalone financial statements).

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts/arrangements/transactions entered into by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. Prior omnibus approval was obtained from the Audit Committee of the Board for the related party transactions which are of repetitive nature and/or which can be foreseen and accordingly the required disclosures are made to the Audit Committee on quarterly basis in terms of the transactions under such omnibus

Directors' Report (Contd.)

approval of the Committee. All related party transactions were placed before the Audit Committee and the Board for review and approval.

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 provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and policy of the Company on materiality of related party transactions. The policy on materiality of related party transactions and on dealing with related party transactions as approved by the Audit Committee and the Board of Directors may be accessed on the Company's website at www.ruchiinfrastructure.com. Your directors draw attention of the members to Note 45 to the standalone financial statements which set out related party disclosures in terms of the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Since the Company is not engaged in any manufacturing activity, the information related to conservation of energy and technology absorption as required under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, is not applicable to the Company.

Foreign Exchange earning was Rs. Nil (Previous year Rs. Nil) and Foreign Exchange Outgo was ₹ 0.05 Crore (Previous year ₹ 0.16 Crore).

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has an adequate internal control system commensurate with the size and nature of its business. An internal audit programme covering various activities and periodical reports are submitted to the management as well as Audit Committee of the Board. The Company has a well-defined organizational structure, authority levels and internal rules and guidelines for conducting business transactions. Besides the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has put primary responsibility of implementing a robust Internal Financial Control framework and is under consistent supervision of Audit Committee, Board of Directors and also independent Statutory Auditors. During the year, no reportable material weakness in the design or operation of internal control system and their adequacy was observed.

RISK MANAGEMENT

With focused approach towards core business of storage infrastructure and renewable energy, the Board regularly reviews the risk management strategy of the Company.

CORPORATE GOVERNANCE

The Company adheres to the corporate governance requirements set out by the Securities and Exchange Board of India (SEBI) and is committed to maintain the highest standards of corporate governance. A separate report on Corporate Governance forms an integral part of this Annual Report. Certificate of Statutory Auditors' regarding compliance of conditions of Corporate Governance as stipulated under Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed herewith as **Annexure III** to this Report.

PARTICULARS OF EMPLOYEES

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed herewith as **Annexure IV** to this report and the information required under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this Report. Further, the Annual Report is being sent to the members excluding the aforesaid annexure. In terms of provisions of Section 136 of the Companies Act, 2013, the said annexure is open for inspection at the Registered office of the Company. Any member interested in obtaining the same may write to the Company Secretary at the Registered Office of the Company.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

As required under Section 177(9) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has established a Vigil Mechanism/Whistle Blower Policy for its directors and employees to report their genuine concerns/grievances. The Policy also provides adequate safeguards against victimization of persons who use such mechanism and makes provisions for direct access to the Vigilance Officer. The Vigil Mechanism/Whistle Blower Policy is uploaded on the website of the Company at www.ruchiinfrastructure.com.

NOMINATION, REMUNERATION AND EVALUATION POLICY

The Nomination, Remuneration and Evaluation Policy of the Company as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company in accordance with the provisions of Section 178 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed herewith as **Annexure V** to this report. The policy is also available on the website of the Company i.e. www.ruchiinfrastructure.com.