

# RattanIndia

October 5, 2018

Scrip Code - 533122

BSE Limited

Phiroze Jeejeebhoy Towers,

Dalal Street,

MUMBAI - 400 001

RTNPOWER

National Stock Exchange of India Limited

"Exchange Plaza", Bandra-Kurla Complex

Bandra (East),

MUMBAI - 400 051

Dear Sir/Madam,

**Sub: Annual Report of RattanIndia Power Limited (the Company).**

**Ref: Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Pursuant to the regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed hereto Annual Report of the Company which was approved and adopted at the 11<sup>th</sup> Annual General Meeting of the Company held on September 28, 2018.

We request you to kindly take the same on record.

Thanking You,

Yours faithfully,

For RattanIndia Power Limited

Gaurav Toshkhani

Company Secretary

Encl: a/a

## RattanIndia Power Limited

(Formerly Indiabulls Power Ltd.)

Registered Office: 5th Floor, Tower-B, Worldmark 1, Aerocity, New Delhi -110037

Tel: +91 11 66612666 Fax: +91 11 66612777

Website: [www.rattanindia.com](http://www.rattanindia.com)

CIN: L40102DL2007PLC169082

# RattanIndia Power Limited

## Annual Report 2017-18



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# Corporate Information

**RattanIndia Power Limited** (Formerly known as Indiabulls Power Limited.)

## BOARD OF DIRECTORS

- |                              |  |
|------------------------------|--|
| 1. Mr. Rajiv Rattan          | 2. Mrs. Namita (w.e.f March 30, 2018)                              |
| 3. Mr. Debashis Gupta        | 4. Mr. Tarun Kumar Prasad (from January 11, 2018 to July 19, 2018) |
| 5. Mr. Narayanasany Jeevagan | 6. Mr. Sanjiv Chhikara   |
| 7. Mr. Pranab Kumar Sinha    | 8. Mr. Jayant Shriniwas Kawale                                     |
| 9. Mr. Sharad Behal          | 10. Mr. Yashish Dahiya (upto October 12, 2017)                     |
| 11. Mr. Himanshu Mathur      | 12. Mrs. Anjali Nashier (upto March 30, 2018)                      |

## BANKING AND FINANCIAL RELATIONS

|   |                      |
|---|----------------------|
| HDFC Bank                                 | Punjab National Bank |
| Yes Bank                                  | Canara Bank          |
| Bank of India                             | State Bank of India  |
| Axis Bank Limited                         | United Bank of India |
| Central Bank of India                     | UCO Bank             |
| Rural Electrification Corporation Limited | Syndicate Bank       |
| Life Insurance Corporation of India       | IndusInd Bank        |
| Power Finance Corporation Limited         | IDBI Bank            |

## COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Gaurav Toshkhani

## CHIEF FINANCIAL OFFICER

Mr. Samir Taneja

## STATUTORY AUDITORS

Walker Chandok & Co LLP,  
Chartered Accountants,  
L 41, Connaught Circus  
New Delhi - 110001

## SECRETARIAL AUDITORS

S. Khandelwal & Co.  
Companies Secretaries  
C – 65, LGF, Malviya Nagar,  
New Delhi – 110 017

## COST AUDITOR

Nisha Vats & Co,  
Cost Accountants

## INTERNAL AUDITOR

HVS & Associates,  
Chartered Accountants

## 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

5<sup>th</sup> Floor, Tower B,  
Worldmark 1, Aerocity, New Delhi – 110 037

**CIN:** L40102DL2007PLC169082

**WEBSITE:** [www.rattanindia.com/rpl](http://www.rattanindia.com/rpl)

Dear Shareholders,

According to the World Bank report (based on the figures for 2017) India has become the sixth largest economy of the world surpassing France in terms of GDP. India's GDP for FY2017 was \$2.60 trillion compared to France's \$2.58 trillion. As per World Bank estimates, India would be the fastest growing economy in FY 2019 with GDP growth projected at 7.5%. The power sector in India contributes around 2.5% to the GDP and is one of the key contributors to the country's economic growth.

The power supply position of the country continues to improve with each passing year. As per Central Electricity Authority (CEA) data the peak power deficit has been recorded at 0.7% (till June-2018) compared to 2% in FY 2017-18. Correspondingly the overall energy deficit has come down marginally from 0.7% to 0.6%. Moreover, India also has a huge latent and suppressed demand of power. The Government of India has launched several schemes targeting rural electrification and is pushing for 24x7 power-to-all which will drive the future electricity demand of the country. This increasing demand for power can only be satisfied by ensuring that the country keeps on adding new generation capacity, much of which will likely come from the private sector.



**Mr. Rajiv Rattan**  
*Chairman*

Although, the current focus of the government policies is tilted towards renewable sources of energy and reducing the carbon footprint of the country; more than 65% of power requirement is still met from thermal power plants. Thermal power plants are base load plants and will continue to play an important role in the future too. As per CEA data, total power generation in the FY 2017-2018 was 1,206 billion units of which the contribution of renewable energy was 102 billion units i.e. 8.5%. If renewable power projects of 100 GW capacities are commissioned in the next 5 years, the total generation from renewable energy power projects would increase to 300 billion units per annum. However, the total electricity consumption is projected to increase to 1,650 billion units in the same period. Hence, total contribution from renewable energy projects would be approx. 18% of the total electricity requirement. As such thermal power would continue to be the major source of energy for this country.

India's energy sector has witnessed rapid growth over the last one year, thanks to policy interventions, reforms and investments. Various policy initiatives of the government of India like 100% electrification of all villages under Deendayal Upadhyay Gram Jyoti Yojna (DUGJY) and electricity for all under Integrated Power Development Scheme (IDPS) will be the key drivers contributing to the future increase in electricity demand in India. Other policy initiatives like introduction of UDAY, amendments to the Tariff Policy, new solar RPO targets for states, the bio fuel policy, the small hydro policy, the offshore wind policy, and the new hydrocarbon policy will contribute towards improvement of the financial health of the power companies, thereby creating a conducive environment for further investments into the sector both from new investors & global power players.

The future of the power sector looks very optimistic and we remain fully committed in doing our part. Various Government initiatives for improving the domestic coal availability to the power plants should lead to the reduction in overall cost of power generation and also enhance availability and generation capability. However, the legacy issues of stressed and stranded generating assets still persist for want of adequate policy and regulatory measures. Currently, dwindling plant load factor, delay in receipt of payment from power distribution companies and delay in adjudicating disputes by regulatory commissions are the biggest concerns of the power sector.

RattanIndia Power Limited is one of the top 10 power generation companies with 2,700 MW of commissioned capacities (1,350 MW at Amravati and 1,350 MW at Nasik). The Company has already secured long term fuel for Phase-1 and Phase-2 of both Amravati (Amravati TPP) and Nasik Thermal Power Plants (Nashik TPP). Unlike the present coal linkage scheme where coal linkages are awarded through open auctions, the coal linkages for our plants are secured under the older coal linkage policy, which ensures supply of coal at notified prices and that put the company into an advantageous position as compared to the power plant securing coal linkage under the present policy.

Phase 1 of Amravati Power Plant (1,350 MW) is operational and has been generating power for more than 5 years. We are supplying power to Maharashtra State Electricity Distribution Company Limited (MSEDCL) through a long term power purchase agreement. Nashik TPP has approval from Government of Maharashtra for entering into a long term PPA for supply of 950 MW power, subject to approval from Maharashtra Electricity Regulatory Commission (MERC). Of this capacity, 650 MW power purchase agreement with MSEDCL is in litigation and the matter was referred to Supreme Court for adjudication. The Supreme Court has passed judgement thereby clearing the way for this PPA with MSEDCL. Currently the matter is pending for adjudication before MERC.

## Chairman's message (contd.)

Due to financial stress faced by both Amravati and Nashik power projects, respective Project Lenders agreed to invoke RBI's S4a and SDR Schemes for resolution, respectively. Even though both schemes for respective power projects were at an advanced stage of consideration, RBI vide its Circular dated 12.02.2018 withdrew all such guidelines with immediate effect and introduced a revised framework for resolution of stressed assets. Projects lenders of both Amravati and Nashik power projects are in the process of forming suitable resolution plans for the projects.

Your company is leaving no stone unturned to deal with the existing structural challenges and is working diligently in addressing the same bring out the best return for our shareholders. The Company is focused on operational efficiency of the plant and has the requisite expertise to ensure highest availability of operating plants. Our goal is to make our plant one of the most efficient ones in the country.

Lastly I take this opportunity to warmly thank all our Shareholders, Customers, Vendors, Employees, Bankers and Financial Institutions for reposing their faith in us and motivating us to excel in all facets of our businesses.

Thank you

**Rajiv Rattan**  
Chairman





Amravati Power Plant



Amravati Power Plant



Nashik Power Plant



Nashik Power Plant



Nashik Power Plant

# Management Discussion and Analysis

## ECONOMIC SCENARIO

India is one of the fastest growing economies in the world today. The International Monetary Fund has projected that India would be the fastest growing global economy with a growth rate of 7.5% in FY 2018-2019. In FY 2016-17, GDP grew at 6.7% to \$2.60 trillion making India the world's sixth largest economy surpassing France. India is powering ahead as the key economic growth engine in Asia even as the largest Asian economy is showing signs of a slowdown. FICCI (Federation of Indian Chambers of Commerce and Industry) has estimated that GDP is expected to grow at 7.5% in the FY 2018-2019. Rising Crude oil prices and increasing Non-Performing Assets in the banking system pose downside risks for the country. However, benefits from the implementation of goods and service tax are expected to kick in over the near & medium term and industrial growth is expected to pick up pace in the later part of the financial year.

For sustainable development it is imperative that a country needs to focus on and deploy adequate resources towards developing infrastructure. Infrastructure projects being capital intensive would require financial assistance and adequate support from the banking system. Hence, stability of the banking system becomes a key requirement to achieve long term sustainable economic growth. One of the impediments faced in sustainable economic development by India is the large number of infrastructure projects turning into Non Performing Assets (NPAs) or on the verge of becoming NPAs. As per the 37th report of the Standing Committee on Energy (2017-18), in power sector alone, the total outstanding debt of the 34 stressed projects is ₹ 1,74,468 crore. Regulatory hurdles and sector specific bottlenecks are leading to significant time and cost overrun affecting the financial viability of these projects. The Government of India and RBI are cognizant of the implications and hence are taking steps to reduce the stress in the Indian banking system to keep the pace of the economic development of this country.

## SECTOR AND POLICY OVERVIEW

Electricity is a very essential constituent of infrastructure and one of the key contributors to economic growth and welfare of the country. Power sector contributes to approx. 2.5% of the Indian GDP. Total installed capacity of the country on 31st March, 2018 was 344 GW, out of which 222.91 GW is thermal, 69.02 GW is renewable, 45.29 GW is hydel, and the rest is nuclear. As per National Electricity Plan presented by Central Electricity Authority, the electrical energy requirement on all-India basis would become 2,047 GWH and peak demand 298.77 GW by the year 2026-27.

On the coal supply side, majority of coal assets supplying coal to the Independent Power Producers is held by Coal India Limited, a Government of India company. Between April-17 to Dec-2017 the coal supplied to power utilities was 331.44 million tonnes as compared to 308.24 tonnes for the corresponding prior year period. Although there is an increase of 7.5% in the coal dispatches, power plants continued to suffer coal shortage during the peak electricity demand periods. The Government has taken various decisions to improve the coal availability to the power utilities. However, the legacy issues of non-availability of adequate fuel during peak demand period; under recovery of coal costs from the tariff; lack of adequate policy and regulatory measures for timely resolution of disputes has led to increased stress on the power assets. In the 37th report of Standing Committee on Energy (2017-18), the committee has identified the following as the major reasons responsible for the financial stress for the thermal power plants:

- Non-availability of Fuel:
  - Cancellation of coal block
  - Projects set up without Linkage
- Lack of enough PPA by states
- Contractual/Tariff related disputes
- Issues related to Banks/Financial Institutions (FIs)
- Delay in project implementations leading to cost overrun
- Aggressive bidding by developers in PPA
- Inability of the Promoter to infuse the equity and working capital

Major challenge faced by the Indian Power sector relates to the poor financial health of the Power Distribution Companies (DISCOMS). To improve the operational and financial health of the DISCOMS, Ujwal DISCOM Assurance Yojana (UDAY) was launched by the Government of India on 20-11-2015. Thirty Two States and Union Territories have joined the scheme. This scheme is aimed at the financial and operational turn around of electricity distribution utilities and is beginning to yield results on both fronts. As per report of the Ministry of Power, the gap between the average cost of power supplied compared to the average revenue realized by Discoms has reduced from 0.59 Rs/kWh to 0.40 Rs/kWh in the FY 2017 and has been on a reducing



trends ever since. Aggregate Transmission and Distribution Losses have come down from 21% in FY 2016 to 20.3% in FY 2017. As on 30 Nov 2017, more than 15,183 villages had been electrified Under Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) out of 18,452 un-electrified villages that were reported un-electrified on 1-Apr-2015.

Although the health of the power sector is gradually improving, due to suppressed demand of power, thermal plants are grappling with the issue of lower plant load factor. Lower off-take of power by state-owned distribution companies is still one of the major challenges faced by generation companies. Government of India needs to take immediate steps to address this issue otherwise large capacity of commissioned power projects will become stranded and NPAs.

To conclude, an immediate effort to resolve the issues pertaining to coal supply; early resolution of the disputes; alleviating suppressed demand and timely payment for power supplied by generators has to be remedied so as to enhance the health of the power sector and put the sector back on a sustainable growth path.

## **DEMAND - SUPPLY POSITION**

The gross energy generation target for 2018-19 is 1,260 BU. During the 12th five year plan, electricity generation grew at a compounded growth of 5.74%. Per-capita consumption of electricity increased to 1,122 units. Per-capita consumption is expected to increase further with new government initiatives to increase power demand. The planned capacity expansion along with reduction in transmission and distribution losses will further reduce the supply demand gap in the future. A big share of original capacity addition would come from the private sector. Actual power generation for FY 2018 was 1,206 BU as compared to 1,160 BU for FY 2017. Peak power demand recorded was around 164.00 GW and peak power demand met was 161 GW.

All India generation during FY 2017-18 was 1,206 BU out of which only 102 BU i.e. approx. 8.5% of total generation was from renewable sources. Now, even if additional 100 GW renewable plants are commissioned over the next 5 years, the generation from renewables is expected to increase to approx. 300 BU against the expected all India generation of approx. 1,650 BU. This means the generation from renewables shall be approx. 18% of total generation five years hence. However, if the addition from renewables is only 50GW then the corresponding share of Renewables shall be 200 BUs (~12% share). Accordingly, it can be reasonably concluded that in India, coal fired power plants will continue to serve as the primary source providing electricity to more than a billion people in the Country. Thermal Power Plants are base load plants and are going to play an important role in future also.

## **RISKS AND CONCERNS**

Sustainable growth in the power sector is very important for the overall sustainable growth of the economy. Any slow down in this sector would severely impact the GDP growth of the country. Despite significant capacity additions in the past, this sector continues to face many challenges such as insufficient fuel supply, cost and time overruns, delay in payments from distribution companies, subdued demand of power and unavailability of PPAs, etc. These are some of the key structural / policy challenges that need to be addressed immediately.

In view of the emerging developments, the critical issues impacting the performance of the sector are mentioned below:

### ***Fuel***

Fuel forms approx. 55% - 60% of the total electricity generation cost. Hence, availability of coal of the appropriate quality at reasonable prices is one of the key components for the long term success of this sector. Supply of domestic coal has improved over the past couple of years. Coal India accounts for 80% of total domestic coal production in the country. The government is targeting coal production of 1.5 billion tonnes by 2020, of which Coal India is looking at a production target of 1 billion tonnes. Better coal availability has resulted in improved PLF at power plants. However, issues related to quality of coal still need to be addressed effectively. Allowing commercial mining of coal in the country would also help in alleviating the demand of coal. Moreover, regulatory issues pertaining to pass-through of coal prices have to be addressed in an expeditious manner so that full cost recovery could be availed by the generators.

### ***Inadequate Transmission Network***

Large parts of India continue to remain power deficit despite significant power generation capacity additions over the last several years. One of the major reasons for this situation is inadequate transmission capacity that limits the generated electricity to flow to the power deficit areas.

Power evacuation is still a bottleneck in the power supply chain of the country. Plants are not able to generate because of constraints in the evacuation infrastructure and are frequently being asked to back down by SLDC/RLDC (State/Regional Load Dispatch Center). This leads to under utilization of the generation capacity.

# Management Discussion and Analysis (contd.)

With the industry moving towards open access, the demand side capacity is expected to increase further thereby increasing the load on transmission assets across the country. If India's transmission capacity is not augmented in a timely manner, this problem is expected to further aggravate.

One of the major reasons for delays in new capacity addition is Right-Of-Way (ROW) issues. Active participation from the private sector and support of government is needed to achieve the objective of building the grid, meeting demand requirements, and optimally utilizing generation capacity.

According to CEA, during the year 2017-18, 23,119 circuit-km of transmission lines and 86,193 MVA of the transformation capacity were added to the transmission grid. With the commissioning of these transmission lines, transmission of electricity within inter-state and intra-state grids and also between state and central grid has improved and the congestion has reduced to some extent. National Electricity Plan, 2008 (published by CEA) has targeted to add 62,800 circuit-km of transmission lines and 1,28,000 MVA of transformation capacity during the period from April-2017 to March-2022.

## **Financial Health of State Discoms**

Poor financial health of discoms is one of the major risks faced by power producers. To bail out debt-laden distribution utilities, the Power Ministry has come out with the Ujwal DISCOM Assurance Yojana (UDAY), under which the State governments would take over 75 per cent of the distribution companies' debt, and the banks would convert that portion of the debt not taken over by the State government into bonds. The UDAY scheme has brought relief through savings in interest costs, reduction in technical and commercial loss, and lowering the cost of power purchase. This is likely to improve the financial health of discoms that would further help in reducing the stress of generation projects. The primary reason for poor financial health are huge aggregate transmission and commercial losses, operational inefficiencies and populist schemes that have resulted in huge outstanding debts. This continues to put pressure on the working capital of suppliers. We hope that benefits accrued because of the UDAY scheme will help in improving the financial and operational health of all discoms which will further fuel the growth of this sector.

## **Distribution Reforms**

The Distribution Sector plays a crucial role in the overall functioning of the Power Sector as it provides final connectivity of power to consumers and generates the cash flow for the entire value chain. The Government is putting all its effort to improve the financial health of utilities so as to enable them to provide reliable and quality power supply and universal access to power. We hope that the steps taken by government will help in ameliorating the current situation.

## **Under-procurement of Power by States**

Increasing power procurement costs, high AT&C losses and poor operational standards have contributed in suppressed demand projections by State Discoms. For the last many years now Discoms have not entered into a long term PPA for purchase of power. With an improvement in the financial & operational health, discoms are expected to purchase more power to provide 24 x 7 electricity to all and this will further enhance electricity demand in times to come.

## **BUSINESS REVIEW**

Your company has a well formulated strategy to tackle the challenges that the sector is facing today. We are comfortable with land, fuel linkage, water, financial closure etc. and are on course to building a leadership position in the Sector. The operations have also been stabilized and we are continuously working on increasing the efficiency of our power plant with the aim of bringing down the cost of production of electricity.

Your company has commissioned Phase-I of Nashik as well as Amravati thermal power plants. Phase-I of Nashik Thermal Power Plant (Nashik TPP) was completed in June-2017 and all 5 units, each having a generation capacity of 270 MW, are commissioned now. Currently work is going on swiftly on construction of an in-plant railway siding for Nashik TPP. All statutory approvals are already in place and the plant has a fuel supply agreement in place. Your company has a 22 mtpa coal linkage for its existing capacity of 5,400 MW (Amravati 1,350 MW Phase 1 + 1,350 MW Phase 2 and Nashik 1,350 MW Phase 1 + 1,350 MW Phase 2); having the largest quantum of Coal Linkage amongst IPPs which is extremely valuable as new linkages are available only through auction under SHAKTI (Scheme for Harnessing and Allocating Koyala (Coal) Transparently in India) announced on 17th May 2017 under which the coal costs is expected to be much higher than coal costs under the earlier linkage regime.

With 2,700 MW commissioned capacity (Amravati and Nashik Phase 1 each of 1,350 MW), the Company is amongst top 10 IPP generators in the Country. You would be happy to note that the Amravati power plant has a PPA with Maharashtra State Electricity Distribution Company Ltd (MSEDCL). All the five units of Amravati TPP are available for supplying power. Although Amravati TPP was available to supply power, MSEDCL did not off-take the entire capacity due to lower demand in Maharashtra, and paid capacity charges in line with the power purchase agreement provisions. We are also making efforts to decrease the

interest cost of Amravati TPP. In spite of the plant being fully operational since March 2015, lenders are still to reduce the interest rates on our term loan from existing approx. 13%.

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. Although MERC approved the PPA, due to subsequent litigation, PPA could not be implemented. With Supreme Court order in place the path has been cleared for entering into PPA with MSEDCL. However, due to prolonged delay in adjudication of the dispute BEST has backed out from purchasing 300 MW power.

Due to circumstances beyond the control of the Company, the risk-rewards of both power plants have turned out to be very different and distinct from each other. Amravati TPP is completely operational and running with long term PPA with MSEDCL but faced lower PLF in spite of plant being fully available whereas Nashik TPP has location advantage of being near to load center but has not commenced power generation for want of long term PPA.

## **COMPETITIVE STRENGTHS**

Your company has following competitive strengths which will enable it to achieve a strong position in the Power Sector:

### ***Statutory and Non-statutory Clearances***

Your company is already in possession of land for the projects and water arrangement is also in place. All Statutory/Non Statutory approvals & clearances are in place for the power projects.

### ***Financial Closure***

Both phases of Amravati and Nasik power projects aggregating 5,400 MW have achieved financial closure.

### ***Power Purchase Agreement***

Your company is supplying power to MSEDCL from Amravati Phase-I under 1,200 MW, PPA signed through Case-I Competitive bidding route.

### ***Fuel Security***

Your company already has a Letter of Assurance for supply of coal, from Coal India Limited (CIL) subsidiary companies. Further, Fuel Supply Agreement (FSA) has been signed for Amravati Phase-I with CIL subsidiary South Eastern Coalfields Limited. FSA for RattanIndia Nasik Power Limited has also been signed. This puts your company, which has a firm linkage from CIL, in a very strong competitive position especially with the announcement of SHAKTI (Scheme for Harnessing and Allocating Koyala (Coal) Transparently in India) on 17th May 2017 under which the coal will be made available to power plants only through auction wherein generators with long term PPA will have to offer discount in their energy tariff and plants without PPA will have to offer premium over reserve price. Under both the options, coal cost is expected to be higher in comparison to the coal cost that your Company was paying under earlier coal allocation regime.

### ***Execution Team***

In the power sector, large projects are being undertaken across Generation, Transmission and Distribution. As India has not witnessed such a large scale implementation before, project execution capabilities are very essential to ensure that targets are met. This strongly necessitates employing a comprehensive project management structure to address the major challenges of the power sector projects and to be able to deliver them as per the planned targets.

One of key strengths of your company is a team of experts with strong project execution capabilities. These experts, who have vast experience of constructing, commissioning and operating large power projects, are involved in a dedicated manner in the execution and in O&M of Amravati and Nashik Thermal Power Projects.

## **PROJECTS BEING DEVELOPED BY YOUR COMPANY**

Your company 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-I have been successfully commissioned and are supplying Power to MSEDCL. As per PPA, MSEDCL 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.

# Management Discussion and Analysis (contd.)

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

All five units of Phase-1 of the project are commissioned. The Company 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, PPA could not be implemented. With Supreme Court order in place the path has been cleared for entering into PPA with MS&PCL. However, due to prolonged delay in adjudication of dispute BEST has backed out from purchasing 300 MW power.

## **STRATEGY**

The key elements of the Company's strategy include:

### ***Capitalizing on the opportunities in Indian power generation sector***

Your company has planned and put in place significant long-term initiatives to capitalize on the huge potential presented by the power sector. With growth in the economy, there will be an increase in demand for electricity and therefore significant investment will be required in generation, transmission and distribution to fulfill this demand and fulfill the Government of India's ambitious target of providing 'Power for All'.

### ***Leveraging of project execution and operating skills***

Your company has developed good project planning and project execution capabilities and keeping in mind the complexity of project, your company has hired project managers with the ability to deal with ambiguity and lead strategic initiatives to achieve the set milestones. Your company has a strong and requisitely skilled workforce with good project execution and plant operating skills that will help in building world class power plants with highest availability and Plant load factor.

### ***Ensuring fuel security***

Your company has ensured that it has adequate supplies to meet fuel requirements for its power projects by way of coal linkages/ FSA with Coal India Limited. If required, it will be using imported coal to meet any shortfall in coal supply.

### ***Engaging in an optimal mix of off-take arrangements with state-owned and industrial consumers***

Your Company intends to maintain an appropriate mix of off-take arrangements. Your Company believes that secure off-take arrangements will provide a level of committed revenues whilst short-term arrangements will enable the Company to realize higher tariff rates from time to time. The Company intends to utilize its marketing and trading capacities to secure off-take arrangements with state-run utility companies and industrial consumers as well as carry out merchant sales of power at market rates. The merchant sales would be done on a "term-ahead" basis through bilateral contracts as well as on power exchanges. In addition to trading power generated by the Company on a term-ahead basis on power exchanges, the Company also intends to enter into bilateral contracts on a term-ahead basis with industrial consumers and distribution companies through open access. Government of India has created DEEP portal through MSTC for conducting bid process for short term purchase of power by Discoms. Your company is also exploring opportunities for short term sale through this portal.

### ***Operating power plant at the highest availability:***

It is vital that a power station has a high plant availability factor (PAF) which is a necessary pre-condition to achieving a higher Plant Load Factor (PLF). Unplanned outages can result in loss of revenue. Your company has recruited very experienced and skilled O&M team to run its power plants smoothly with the highest possible availability.

## **HUMAN RESOURCES**

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 tries 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 increases productivity but also increases job satisfaction of its employees.

Your company has put in place a recruitment system in the organization wherein appropriate candidates with the right skills are recruited. Your company has established systems, which aim to provide training to employees at every level of the organization that leads to quality work output in their assigned work, in turn helping in improving the bottom-line of your company.

In addition to this, remuneration commensurate with the skill set, regular appraisals and development opportunities provided to the employees have enabled your company to achieve its goal in the competitive market. Your company believes that its employees are most productive when they have a good work-life balance to enable them to meet their responsibilities outside work.

## **CORPORATE SOCIAL RESPONSIBILITY**

With the aim and objective of discharging its corporate social responsibility in compliance with the requirements of the Companies Act, 2013 and more importantly, towards effectuation of its principle policy of paying back to the society for having contributed to the success and growth of the Company, a well-defined and well detailed Corporate Social Responsibility Policy ('CSR Policy') has been in place.

The CSR Policy encompasses a wide range of areas aimed at welfare and well-being of the society and once the financial position of the Company permits, the Policy shall be effectuated with full gusto.

The CSR Policy of the Company has been uploaded on the website of the Company and is available at the link: <http://www.rattanindia.com/rpl/investor-contacts>.

The Annual report on CSR forms a part of the Directors Report and is annexed hereto as Annexure A.

## **INTERNAL CONTROL SYSTEMS**

The Company has a system of internal control commensurate with the nature and size of its operations, which effectively and adequately encompasses every facet of its operations and every functional area.

The system involves a compliance management team with 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 right earnest in the event of any deviations from the stipulated standards and parameters.

The effectiveness and deliverability of the internal control system is reviewed periodically so that measures, if any, needed for strengthening of the same, with the changing business needs of the Company, can be taken.

## **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 have pleasure in presenting to you their Eleventh Annual Report and the Audited Statement of Accounts of the Company for financial year ended March 31, 2018.

## FINANCIAL RESULTS

(₹ In Lakhs)

| Particulars   | Standalone         |                    |
|---|--------------------|--------------------|
|   | 31 March 2018      | 31 March 2017      |
| Revenue from operations                                     | 201,538.21         | 133,450.34         |
| Profit from operations before other income and finance cost | 36,105.55          | 52,734.70          |
| Other income  | 22,411.10          | 16,921.63          |
| Finance costs   | 99,663.27          | 101,708.40         |
| <b>Loss before tax</b>                                      | <b>(41,146.62)</b> | <b>(32,052.07)</b> |
| Tax expense   | 691.06             | -                  |
| <b>Loss for the year</b>                                    | <b>(41,837.68)</b> | <b>(32,052.07)</b> |
| Other comprehensive income                                  | 23.68              | (19.18)            |
| <b>Total comprehensive income for the year</b>              | <b>(41,814.00)</b> | <b>(32,071.25)</b> |
| Paid up equity share capital (Face Value of ₹ 10 each)      | 295,293.34         | 295,293.34         |
| Other equity  | 165,444.34         | 200,502.63         |
| Earnings per equity share (in ₹)                            | (1.42)             | (1.09)             |

Further, the details of performance of subsidiaries are getting reflected in the consolidated financial statement, which forms a part of the Annual Report.

## TRANSFER TO RESERVES

In view of the accumulated losses, no transfer to reserves has been made.

## BUSINESS REVIEW

Your company has a well formulated strategy to tackle the challenges that the sector is facing today. We are comfortable with land, fuel linkage, water, financial closure etc. and are on course to building a leadership position in the Sector. The operations have also been stabilized and we are continuously working on increasing the efficiency of our power plant with the aim of bringing down the cost of production of electricity.

Your company has commissioned Phase-I of Nashik as well as Amravati thermal power plants. Phase-I of Nashik Thermal Power Plant (Nashik TPP) was completed in June-2017 and all 5 units, each having a generation capacity of 270 MW, are commissioned now. Currently work is going on swiftly on construction of an in-plant railway siding for Nashik TPP. All statutory approvals are already in place and the plant has a fuel supply agreement in place. Your company has a 22 mtpa coal linkage for its existing capacity of 5,400 MW (Amravati 1,350 MW Phase 1 + 1,350 MW Phase 2 and Nashik 1,350 MW Phase 1 + 1,350 MW Phase 2); having the largest quantum of Coal Linkage amongst IPPs which is extremely valuable as new linkages are available only through auction under SHAKTI (Scheme for Harnessing and Allocating Koyala (Coal) Transparently in India) announced on 17th May 2017 under which the coal costs are expected to be much higher than coal costs under the earlier linkage regime.

With 2,700 MW commissioned capacity (Amravati and Nashik Phase 1 each of 1,350 MW), the Company is amongst top 10 IPP generators in the Country. You would be happy to note that the Amravati power plant has a PPA with Maharashtra State Electricity Distribution Company Ltd (MSEDCL). All the five units of Amravati TPP are available for supplying power. Although Amravati TPP was available to supply power, MSEDCL did not off-take the entire capacity due to lower demand in Maharashtra, and paid capacity charges in line with the power purchase agreement provisions. We are also making efforts to decrease the interest cost of Amravati TPP. In spite of the plant being fully operational since March 2015, lenders are still to reduce the interest rates on our term loan from existing approx. 13%.

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. Although MERC approved the PPA, due to subsequent litigation, PPA could not be implemented. With Supreme Court order in place, the path has been cleared for entering into a PPA with MSEDCL. However, due to prolonged delay in adjudication of the dispute BEST has backed out from purchasing 300 MW power.

Due to circumstances beyond the control of the Company, the risk-rewards of both power plants have turned out to be very different and distinct from each other. Amravati TPP is completely operational and running with long term PPA with MSEDCL but faced lower PLF in spite of plant being fully available whereas Nashik TPP has locational advantage of being near to load center but has not commenced power generation for want of a long term PPA.

## **DIRECTORS/ KEY MANAGERIAL PERSONNEL (KMP) DETAILS**

Mr. Himanshu Mathur, Director (DIN: 03077198) retires by rotation at the ensuing annual general meeting and being eligible for re-appointment, offers himself for the same.

During the year under review, Mrs. Anjali Nashier resigned from the directorship of the Company and Ms. Namita (DIN: 08058824) was appointed as a director of the Company in her place.

Ms. Namita being an additional director, her office as a director of the Company comes to an end on the date of the ensuing annual general meeting. However the Company has received a notice from her specifying her intention and willingness to be appointed as a regular director on the Board of Directors of the Company. A resolution to this effect is accordingly being proposed for approval of the members at the annual general meeting.

The other directorial changes that took place during the year under review were that Mr. Yashish Dahiya, an Independent Director resigned from his position as the director of the Company and in his place Mr. Tarun Kumar Prasad was appointed as an Independent Director with effect from January 11, 2018, to fill the intermittent vacancy so caused in the office of Independent Director.

However Mr. Prasad subsequently resigned from his office as the Director of the Company with effect from July 19, 2018, due to personal reasons.

Upon the resignation of Mr. Tarun Kumar Prasad from the directorship of the Company, Mr. Yashish Dahiya (DIN: 00706336) who had during his previous tenure played a very meaningful role in his capacity as an Independent Director of the Company through his valuable suggestions and inputs to the Board on the business and affairs of the Company, was once again approached with a request to rejoin the Company's Board as an Independent Director and has accepted the request made by the Company. Accordingly it is proposed to appoint Mr. Yashish Dahiya as an Independent Director through a resolution to such effect being proposed for the approval of the members at the ensuing annual general meeting.

It would be pertinent to mention here that a strong record of performance as revealed by his previous performance evaluation reports, also strongly merits his reappointment.

No changes occurred in the key managerial personnel of the Company during the year under review.

## **COMPANY'S POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS**

In continued compliance with the requirements of Section 178 of the Companies Act, 2013 read with the Companies (Meetings of Boards and its Powers) Rules, 2014 together with Regulation 19 of the (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Part D of the Schedule II thereto, the Company has a well defined and well operational policy for selection, appointment and remuneration of directors, both independent and non-independent and the senior management personnel including in particular the key managerial personnel.

Commensurate with the nature and size of business of the Company, the operational and regulatory requirements and the norms of good corporate governance, the Nomination and Remuneration Policy ('Policy') of the Company as enforced and effectuated through the Nomination and Remuneration Committee of the Board, seeks to ensure that those chosen to be on the Board of Directors of the Company are persons of knowledge, repute and experience whose acumen and capabilities can be utilized to give a proper direction to the plans of the Company and to take it forward on the path of progress.

Since the directors play a pivotal role in the management of the Company and its operations, the compensation packages for the directors (wherever applicable), are in line with the Policy, so drawn up and structured, so as to adequately reward them for their contributions to the growth and progress of the Company. The idea being that the Board of Directors of the Company is a committed and satisfied lot with a sense of belonging to the Company.

# Board's Report (contd.)

It would be pertinent to mention here that the Policy is subject to periodic review by the Nomination and Remuneration Committee.

For the information of the members of the Company in particular and the investing public in general, the Policy stands uploaded on the website of the Company at the weblink <http://www.rattanindia.com/rpl/investors>.

## 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, the various committees of the Board and individual committee members, 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 and committee members, adheres to and in fact goes beyond the standards of efficacy laid down for the purpose and in the event of any deviations on the negative side, between the actual and the standardized performance coming to light, immediate and necessary rectifications are effected.

As in the previous financial years, for an annual evaluation of performance of the Board, the various Board Committees and the individual directors and committee members, the evaluation exercise carried out in the financial year 2017-2018 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, committees and committee members individually 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 response on the performance of the Board, performance of the Board committees and performance and functional efficacy and activeness of the individual directors, committee members, with the nature and size of the Company operations, the operational advantages and bottlenecks, the skill sets, knowledge and expertise of various directors, committee members, forming the essential premises for the same.
- (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 was carried out by Independent Directors who also assessed the quantity, quality and timeliness of flow of information between the Company management and Board.

## DECLARATIONS FROM INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under Section 149(7) of the Companies Act, 2013 and the Clause 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## MEETINGS OF THE BOARD OF DIRECTORS

During the year under review eight meetings of the Board of Directors of the Company were held. The details as to the dates of such meetings and the attendance of various directors of the Company thereat, have been provided in the Corporate Governance Report.

Additionally a meeting of the Independent directors of the Company was held on May 15, 2018.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

With the aim and objective of discharging its corporate social responsibility in compliance with the requirements of the Companies Act, 2013 and more importantly, towards effectuation of its principle policy of paying back to the society for having contributed to the success and growth of the Company, a well-defined and well detailed Corporate Social Responsibility Policy ('CSR Policy') has been in place.

The CSR Policy encompasses a wide range of areas aimed at welfare and well- being of the society and once the financial position of the Company permits, the Policy shall be effectuated with full gusto.

The CSR Policy of the Company has been uploaded on the website of the Company and is available at the link: <http://www.rattanindia.com/rpl/investor-contacts>.

The Annual report on CSR forms a part of the Directors Report and is annexed hereto as Annexure A.

## **CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

In compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has in place a well formulated policy on materiality of related party transactions and dealing with related party transactions, as approved by the Board of Directors of the Company. The same is uploaded on the website of the Company at the weblink: <http://www.rattanindia.com/rpl/investor>.

It would be pertinent to mention here that as a practice, the related party transactions entered into by the Company are in the ordinary course of business and at an arms-length basis.

Prior to such transactions being entered, each such transaction is thoroughly examined and evaluated by the Audit Committee of the Company and it is only after approval by the Audit Committee that such transactions are entered into.

The details of various related party transactions entered into by the Company pursuant to the approval of the Audit Committee, are periodically placed before the Board of Directors of the Company for review, periodically.

The particulars of contracts or arrangements, which are related party transactions, within the meaning of Section 188 of the Companies Act, 2013, have been set out in detail in the financial statements and therefore as permitted by the first proviso to sub section (2) of Section 134 of the Companies Act, 2013, the same are not being separately provided in this report, in the stipulated form AOC-2.

## **INTERNAL FINANCIAL CONTROLS**

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 system operational for the financial controls encompasses operating philosophies, policies and procedures, effective IT systems aligned to the business requirements, a robust internal audit framework and risk management framework to ensure that there are adequate checks and balances in the system, as also its evaluation at regular intervals to ascertain the efficacy of operations of the controls employed so that corrective measures, if any required, can be taken in the right earnest, with the internal audit team working in close coordination with the Audit Committee, for the purpose.

## **RISK MANAGEMENT**

The Power industry in the country has been facing tough times for the past several years making it essentially important for the Company to have in place a policy drawn up after a careful and reasonable anticipation of the risks, such a situation can throw up and seeking to make provisions for mitigating the same.

After a fairly careful and detailed consideration of the problems typical to the Power Industry and the business of the Company and those emanating or likely to emanate from prevailing socio- economic environment and the risks arising therefrom, which impact or are likely to impact the business of the Company in general, a well- defined and well formulated risk management policy has therefore been in place in the Company since the inception.

Towards the effectuation of the Risk Management Policy an internal team has been created which evaluates the risks which have arisen or are imminent and thereupon suggests the measures to be taken for mitigating their impact.

## **DETAILS OF LOANS/GUARANTEES & SECURITIES/INVESTMENTS MADE BY THE COMPANY**

The loans given, guarantees extended or securities provided for third party loans to various bodies corporate and/or to other persons or entities and the investments made by the Company in other body corporates, if any, are in consonance with the provisions of Section 186 of the Companies Act, 2013 and the rules framed thereunder and have been adequately described in the notes to Financial Statements. It would however be pertinent to mention here that being an entity, engaged in the Infrastructure business, the Company does not fall within the ambit of section 186 by virtue of the exemption available under sub section (11) thereof read with Schedule IV to the Companies Act, 2013.

# Board's Report (contd.)

## 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 subsidiaries and a separate statement containing the salient features of financial statements of the subsidiaries 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/rpl/annual-report>.

## DIVIDEND

No dividend has been recommended for the financial year 2017-2018.

The Dividend Distribution Policy framed in line with Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) is appended to this report as an Annexure F and is also uploaded on the Company's web site <http://www.rattanindia.com/investors.htm>

## EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 92(3) of the Companies Act, 2013, an extract of the Annual Return of the Company as at March 31, 2018, as drawn up in the prescribed form MGT-9 is annexed hereto as Annexure-B

## SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

During the year under review nine subsidiaries of the Company namely Amravati Power Transmission Company Limited, Hecate Power Limited, Hecate Power Services Limited, Hecate Thermal Power and Infrastructure Limited, Hecate Power Generation Limited, Hecate Power Distributors Limited, Hecate Power Management Limited, Hecate Power Supply Limited and Hecate Powergen Limited, ceased to be so. A report on the performance and financial position of each of the remaining subsidiaries, in the form AOC-1, as per the Companies Act, 2013 is provided in the consolidated financial statement and hence not repeated here for the sake of brevity.

The Company does not have any associate company and further, with the exception of a few majority owned subsidiaries all its other subsidiaries are wholly owned. As regards the majority owned subsidiaries, it may be noted that such subsidiaries are not engaged in any project or venture so as to be termed as joint ventures.

The Company's Policy on material subsidiaries may be accessed on the Company's website at the link: <http://www.rattanindia.com/investors.htm>

## PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The information required pursuant to Section 197 of the Act read with Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as to the names and other particulars of the employees drawing remuneration in excess of the stipulated limits, will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are therefore being sent to the Members and others entitled thereto, excluding the said information on employees' particulars. However in addition to any member interested in obtaining such information, being provided with a copy of the statement containing such information, as indicated in the foregoing para, the same is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting.

The Disclosures pertaining to remuneration and other details as 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, are however being provided in Annexure-C, to this Report.

## VIGIL MECHANISM

While it is necessary for the Company to have a vigil mechanism to enable the Directors and employees to report their genuine concerns as also to safeguard them as well as any other person who avails the mechanism, against victimization, the Company has a vigil mechanism in place as a part of its work culture, besides the requirements for such a mechanism, being mandated by law.

The vigil mechanism in the Company is effectuated through a Whistle Blower Policy which serves exactly this purpose, by making available to the Directors, employees and others with a Platform, to report and voice their grievances against any violations of laid down laws or ethics or any unfair conduct, which has come to their knowledge or which they have been subject to.

Since such situations entail the possibility of the victimization of the persons availing the mechanism, the policy has adequate



provisions for maintaining complete confidentiality. Aside that, the policy also provides for direct access of every person, to the Chairperson of the Audit Committee.

The Whistle Blower Policy is available on the website of the Company at the link <http://www.rattanindia.com/rpl/investor>

## **GENERAL:**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions pertaining to or developments in respect of such matters, during the year under review:

1. Details relating to deposits covered under Chapter V of the Companies Act, 2013.
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 including the employee stock option schemes in force in the Company.
4. Passing of Material orders by the Regulators or Courts or Tribunals, which impact the going concern status and Company's operations in future.
5. Any frauds reported by the Statutory Auditors under section 143 (12) of the Companies Act, 2013.

## **EMPLOYEE STOCK OPTIONS**

As an essential ingredient of its work policy and work culture, the Company looks upon its employees as being vitally important in its growth and development and therefore believes that the employee growth and development should be commensurate with that of the Company, towards which end it has as one of the several employee welfare measures effectuated therein, had in place several employee stock option schemes namely (i) RattanIndia Power Limited Employee Stock Option Plan 2008 (formerly known as SPCL-IPSL Employee Stock Option Plan, 2008) (ii) RattanIndia Power Limited Employee Stock Option Scheme-2009 (formerly known as Indiabulls Power Limited Employee Stock Scheme 2009) and (iii) RattanIndia Power Limited Employee Stock Option Scheme-2011 (formerly known as Indiabulls Power Limited Employee Stock Option Scheme-2011), together covering nine million stock options convertible into an equivalent number of equity shares of face value ₹ 10 in the Company.

The applicable disclosures with regard to the Employee Stock Options Schemes of the Company under the SEBI (Share Based Employee Benefits) Regulations, 2014, are provided as Annexure-D to this Report.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(2)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is presented in a separate section forming part of the Annual Report.

## **CORPORATE GOVERNANCE REPORT**

Pursuant to the applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule V thereto, a detailed report on Corporate Governance is included in the Annual Report. A Practicing Company Secretary's Certificate certifying the Company's compliance with the requirements of listing regulations as to Corporate Governance as set out in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is attached to the Report.

## **BUSINESS RESPONSIBILITY REPORT**

As stipulated under the Regulation 34 (2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility Report describing the initiatives taken by the Company from an environmental, social and governance perspective is presented in a separate section forming part of the Annual Report.

## **STATUTORY AUDITORS & AUDITORS' REPORT**

M/s Walker Chandio & Co LLP, Chartered Accountants (Registration no.: 001076N/N500013), Auditors of the Company, having in compliance with the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit And Auditors) Rules, 2014 been appointed as the Statutory Auditors of the Company for the financial year 2016-17 to the financial year 2020-21 so as to hold office as such from the conclusion of the Annual General Meeting held for the financial year 2015-2016, on September 30, 2016 i.e. the seventh annual general meeting, till the conclusion of the twelfth Annual General Meeting, continue as the Auditors of the Company for the financial year 2020-2021.

# Board's Report (contd.)

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 business item to such effect is proposed in the notice convening the 11th AGM.

The Statutory Auditors of the Company have raised a qualification in respect of certain advances made by the Company in the course of its business, to certain subsidiaries, expressing concern over the ability of the Company to recover the value of such advances and therefore to make an impairment assessment in its books in regard to the same.

It has been explained to the Auditors that the management is confident of realizing the value of such advances and accordingly no impairment in the value of the same has been recorded in the books of the Company.

## AUDIT COMMITTEE

The Audit Committee comprises of four members namely, Mr. Narayanasany Jeevagan, Independent Director who is also the Chairman of the Committee, Mr. Debashis Gupta, Mr. Sanjiv Chhikara, Independent Directors and Mr. Rajiv Rattan, a non-independent director, All recommendations made by the Audit Committee, as to various matters, during the year under review, were accepted by the Board. A detailed description of the Audit Committee and its scope of responsibility and powers and the number of Audit Committee meetings held during the year under review, is set out in the Corporate Governance Report, which forms a part of the Annual Report.

## COST AUDITORS

The Board had appointed M/s. Nisha Vats & Co., Cost Accountants as the cost auditors for conducting the audit of cost records of the Company for the financial year 2017-18.

It would be pertinent to mention here that all the cost accounts are made and maintained as per the provisions of Companies Act, 2013 and rules framed thereunder.

## SECRETARIAL AUDITOR & SECRETARIAL AUDIT REPORT

The Board had appointed M/s S. Khandelwal & Co, Practicing Company Secretaries, to conduct Secretarial Audit for the financial year 2017-18. The Secretarial Audit Report for the financial year ended March 31, 2018 is annexed as an Annexure-E to this Report. The Secretarial Audit Report does not contain any reservation, qualification or adverse remark.

## SECRETARIAL STANDARDS

The Board confirms the Company's compliance with all secretarial standards as stipulated and notified by the Institute of Company Secretaries of India.

## DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134 of the Companies Act, 2013, your Directors confirm that:

1. in the preparation of the annual accounts, the applicable accounting standards had been followed and that there were no material departures from the same;
2. 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 31st March, 2018 and the losses of the Company for the year ended on that date;
3. the Directors had taken proper and sufficient care for maintaining 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. the Directors had prepared the Annual Accounts of the Company on a 'going concern' basis;
5. the Directors had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively; and
6. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

## PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE

The safety and security of the women work force in the Company has been an area of paramount importance to the management and forms an integral part of its work culture.

This explains why the Company can proudly boast of being one of the safest and most secure and healthy working places for women in the Country.

The work philosophy of the Company entails policies which stipulate very harsh punitive measures for any untoward or awkward behavior or act towards the women working in the Company, howsoever minor it may be. Aside that, it is deeply engrained in the work philosophy of the Company and therefore an essentiality in its work culture, to show utmost respect to the women working force which explains as to why like in the previous years, no cases were filed against the Company or its employees (in their capacity as such), pursuant to Sexual Harassment (Prevention, Prohibition and Redressal) Act, 2013 as the Company is fully compliant with the provisions of the same.

It would be also pertinent to mention here that a Company has constituted a Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## LISTING WITH STOCK EXCHANGES

The shares of the Company continue to remain listed with Bombay Stock Exchange Limited and National Stock Exchange Limited. The Listing fee payable to the said stock exchanges for the financial year 2018-2019 has been paid.

## GREEN INITIATIVES

Electronic copies of the Annual Report and the notice of the 11th AGM are being sent to all such members whose e-mail addresses are registered with the Company/ its Registrar and Transfer Agent.

To the other members physical copies of the Annual Report and the notice of the 11th AGM, are sent through the permitted modes of dispatch.

However members who have received the said documents in electronic mode but seek physical copies of the same, can send their requests to the Company Secretary.

The e-voting facility is being provided to the members to enable them to cast their votes electronically on all resolutions sent forth in the notice, pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014. The instructions for e-voting are provided in the notice.

**WEBSITE:** [www.rattanindia.com](http://www.rattanindia.com)

## ACKNOWLEDGEMENT

Your directors wish to express their sincere gratitude to the investors, bankers, financial institutions, governmental authorities and the employees of the Company for their continued assistance and support which has enabled the Company to turn into a major Power supplying entity in the private sector. The Company and its Directors hope for and look forward to the continuance of the same in period ahead.

For and on behalf of Board of Directors

Date: August 31, 2018

Place: New Delhi

Sd/-  
**Rajiv Rattan**  
Chairman

# Board's Report (contd.)

## ANNEXURE FORMING PART OF THE DIRECTORS' REPORT PURSUANT TO SECTION 134(3)(m) OF THE COMPANIES ACT 2013, READ WITH COMPANIES (ACCOUNTS) RULES, 2014 IN RESPECT OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

### A. ENERGY CONSERVATION AND TECHNOLOGY ABSORPTION

RattanIndia Power group is totally committed to efficient plant operation & energy conservation in its Power Plants. Special emphasis is laid on maximizing generation by efficient boiler combustion through trimming of air to fuel ratio, improvement in condenser vacuum for higher cycle efficiency through On-line condenser tube cleaning system (COLTCS), minimizing air & steam leakages, reduction in specific coal/oil consumption by efficient operation etc. The multiple Units of proven indigenous technology (5 Units of 270 MW each) lend greater flexibility in wide load-fluctuation scenario. The adoption of water recycling technique with higher cycle of concentration (CoC:7) has not only reduced plant water consumption but has also saved water pumping power. The group has also made arrangements for washing coal at source which is saving around 10% transportation energy by shedding away excessive ash contents in indigenous coal.

The main plant equipment of both Amravati & Nashik Power Plants are based on latest upgraded technology of indigenous manufacturer BHEL.

### B. FOREIGN EXCHANGE EARNINGS AND OUTGO :

| Particulars                                  | As at<br>March 31, 2018 | As at<br>March 31, 2017 |
|--|-------------------------|-------------------------|
|  | (Rupees)                | (Rupees)                |
| Earnings in Foreign Currency                 |                         |                         |
| - Interest income on Inter corporate deposit | 19,895,881              | 13,052,806              |
| Expenditure in Foreign Currency              |                         |                         |
| - Legal Consultancy Expenses                 | Nil                     | 8,006,242               |
| - Interest on Acceptances                    | Nil                     | 6,286,260               |

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. **A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web- link to the CSR policy and projects or programs:**

With the aim and objective of discharging its corporate social responsibility in compliance with the requirements of the Companies Act, 2013 and more importantly, towards effectuation of its principle policy of paying back to the society for having contributed to the success and growth of the Company, a well-defined and well detailed Corporate Social Responsibility Policy ('CSR Policy') has been in place.

The CSR Policy encompasses a wide range of areas aimed at welfare and well- being of the society and once the financial position of the Company permits, the Policy shall be effectuated with full gusto.

The CSR Policy of the Company has been uploaded on the website of the Company and is available at the link: <http://www.rattanindia.com/rpl/investor-contacts>.

2. **The Composition of the CSR Committee:**

The CSR Committee of the Company comprises of three Directors namely Mr. Sanjiv Chhikara, an Independent Director who is also the chairman of the committee and Mr. Debashis Gupta, Independent Director and Mrs. Namita, a non-independent director.

3. **Average net profit of the Company for the three financial years:**

The Company has, at an average, been at a loss, for the last three financial years.

4. **Prescribed CSR Expenditure (two percent of the average net profits for three immediately preceding financial years):**

The Company was not required to allocate any budget towards the mandatory CSR spend under the Companies Act, 2013, since it has been at a loss, at an average, for last three financial years.

5. **Details of CSR spent for the financial year 2017-2018:**

- (a) Total amount spent for the financial year; not applicable
- (b) Amount unspent if any; not applicable
- (c) Manner in which spent; not applicable

6. **Reasons for not spending two percent of the average net profits for the last three financial years or any part thereof:** not applicable as the Company has, at an average, been at a loss, for the last three financial years.

7. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.** The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance (conformity) with CSR objectives and Policy of the Company.

Sd/-  
**Jayant Shriniwas Kawale**  
Managing Director

Sd/-  
**Sanjiv Chhikara**  
Chairman, CSR Committee



# Annexure 'B' to Board's Report

## Extract of Annual Return

FORM NO. MGT 9

### EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2018

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management and Administration) Rules, 2014.]

#### I. REGISTRATION & OTHER DETAILS:

|   |  |  |
|---|--|--|
| 1 | CIN  | L40102DL2007PLC169082  |
| 2 | Registration Date  | October 8, 2007  |
| 3 | Name of the Company  | RattanIndia Power Limited  |
| 4 | Category/Sub-category of the Company                                       | Public Limited Company   |
| 5 | Address of the Registered office & contact details                         | 5th Floor, Tower-B, Worldmark - 1, Aerocity, New Delhi-110037.<br>Tel: 011-46611666, Fax: 011-46611777,<br>Email: ir@rattanindia.com, Website : www.rattanindia.com  |
| 6 | Whether listed company   | Yes  |
| 7 | Name, Address & contact details of the Registrar & Transfer Agent, if any. | Karvy Computershare Private Limited. Karvy Selenium Tower - B, Plot No.31-32, Financial District, Gachibowli, Nanakramguda, Seriligampally, Hyderabad - 500 032. Phone No. 040-67162222, Fax No. 040-23001153, E-mail: einward.ris@karvy.com |

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

| S. No. | Name and Description of main products / Services | NIC Code of the Product/ Service | % to total turnover of the company |
|--------|--|----------------------------------|------------------------------------|
| 1      | Power Generation and supply                      | 35102                            | 100%                               |

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| S. No. | Name and address of the company   | CIN/GLN               | Holding/ Subsidiary/ Associate | % of shares held                | Applicable Section under Companies Act, 2013 |
|--------|---|-----------------------|--------------------------------|---------------------------------|--|
| 1      | Albina Water Supply and Waste Management Services Limited (100% subsidiary of RattanIndia Nasik Power Limited) Address: 5th Floor, Tower-B, Worldmark - 1, Aerocity, New Delhi-110037 | U41000DL2006PLC149245 | Subsidiary                     | 100%                            | 2(87)  |
| 2      | Lucina Power And Infrastructure Limited. Address: 5th Floor, Tower-B, Worldmark - 1, Aerocity, New Delhi-110037   | U70109DL2006PLC151540 | Subsidiary                     | 100%                            | 2(87)  |
| 3      | Aravali Properties Limited. Address: 5th Floor, Tower-B, Worldmark - 1, Aerocity, New Delhi-110037  | U70109DL2006PLC151196 | Subsidiary                     | 100%                            | 2(87)  |
| 4      | Devona Power Limited. Address: 5th Floor, Tower-B, Worldmark - 1, Aerocity, New Delhi-110037  | U45400DL2007PLC167739 | Subsidiary                     | 74% (Equity), 100% (Preference) | 2(87)  |
| 5      | Sentia Hydro Electric Power Limited. Address: 5th Floor, Tower-B, Worldmark - 1, Aerocity, New Delhi-110037   | U40300DL2007PLC168144 | Subsidiary                     | 100%                            | 2(87)  |

# Annexure 'B' to Board's Report (contd.)

## Extract of Annual Return

| S. No. | Name and address of the company   | CIN/GLN               | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section under Companies Act, 2013 |
|--------|---|-----------------------|--------------------------------|------------------|--|
| 6      | Sentia Hydro Energy Limited. Address: 5th Floor, Tower-B, Worldmark - 1, Aerocity, New Delhi-110037                     | U40101DL2007PLC168155 | Subsidiary                     | 100%             | 2(87)  |
| 7      | Sentia Hydro Power Limited. Address: 5th Floor, Tower-B, Worldmark - 1, Aerocity, New Delhi-110037                      | U40300DL2007PLC168141 | Subsidiary                     | 100%             | 2(87)  |
| 8      | Sentia Hydro Power Projects Limited. Address: 5th Floor, Tower-B, Worldmark - 1, Aerocity, New Delhi-110037             | U40300DL2007PLC168148 | Subsidiary                     | 100%             | 2(87)  |
| 9      | Devona Power Projects Limited. Address: 5th Floor, Tower-B, Worldmark - 1, Aerocity, New Delhi-110037                   | U40108DL2007PLC168156 | Subsidiary                     | 100%             | 2(87)  |
| 10     | Devona Power Infrastructure Limited. Address: 5th Floor, Tower-B, Worldmark - 1, Aerocity, New Delhi-110037             | U40300DL2007PLC168142 | Subsidiary                     | 100%             | 2(87)  |
| 11     | Albina Thermal Energy Limited. Address: 5th Floor, Tower-B, Worldmark - 1, Aerocity, New Delhi-110037                   | U40300DL2007PLC168147 | Subsidiary                     | 100%             | 2(87)  |
| 12     | Albina Thermal Power Limited. Address: 5th Floor, Tower-B, Worldmark - 1, Aerocity, New Delhi-110037                    | U40300DL2007PLC168143 | Subsidiary                     | 100%             | 2(87)  |
| 13     | Sentia Electricity Limited. Address: 5th Floor, Tower-B, Worldmark - 1, Aerocity, New Delhi-110037                      | U40300DL2007PLC168146 | Subsidiary                     | 100%             | 2(87)  |
| 14     | Diana Power Limited. Address: 5th Floor, Tower-B, Worldmark - 1, Aerocity, New Delhi-110037                             | U40300DL2007PLC168150 | Subsidiary                     | 100%             | 2(87)  |
| 15     | Diana Energy Limited. Address: 5th Floor, Tower-B, Worldmark - 1, Aerocity, New Delhi-110037                            | U40108DL2007PLC168651 | Subsidiary                     | 74%              | 2(87)  |
| 16     | Devona Thermal Power and Infrastructure Limited. Address: 5th Floor, Tower-B, Worldmark - 1, Aerocity, New Delhi-110037 | U40300DL2007PLC168654 | Subsidiary                     | 100%             | 2(87)  |
| 17     | Citra Thermal Power and Infrastructure Limited. Address: 5th Floor, Tower-B, Worldmark - 1, Aerocity, New Delhi-110037  | U40102DL2007PLC168797 | Subsidiary                     | 100%             | 2(87)  |
| 18     | Selene Power Company Limited. Address: 5th Floor, Tower-B, Worldmark - 1, Aerocity, New Delhi-110037                    | U40102DL2007PLC169085 | Subsidiary                     | 100%             | 2(87)  |
| 19     | Sentia Thermal Power and Infrastructure Limited. Address: 5th Floor, Tower-B, Worldmark - 1, Aerocity, New Delhi-110037 | U40300DL2007PLC169088 | Subsidiary                     | 100%             | 2(87)  |
| 20     | Sepset Thermal Power and Infrastructure Limited. Address: 5th Floor, Tower-B, Worldmark - 1, Aerocity, New Delhi-110037 | U40102DL2007PLC169087 | Subsidiary                     | 100%             | 2(87)  |
| 21     | Triton Energy Limited. Address: 5th Floor, Tower-B, Worldmark - 1, Aerocity, New Delhi-110037                           | U40109DL2007PLC169177 | Subsidiary                     | 100%             | 2(87)  |
| 22     | Sepla Hydropower Projects Limited. Address: 5th Floor, Tower-B, Worldmark - 1, Aerocity, New Delhi-110037               | U40109DL2007PLC171033 | Subsidiary                     | 100%             | 2(87)  |
| 23     | Kaya Hydropower Projects Limited. Address: 5th Floor, Tower-B, Worldmark - 1, Aerocity, New Delhi-110037                | U40101DL2007PLC171066 | Subsidiary                     | 100%             | 2(87)  |
| 24     | Tharang Warang Hydropower Projects Limited. Address: 5th Floor, Tower-B, Worldmark - 1, Aerocity, New Delhi-110037      | U40101DL2007PLC171067 | Subsidiary                     | 100%             | 2(87)  |

# Annexure 'B' to Board's Report (contd.)

## Extract of Annual Return

| S. No. | Name and address of the company  | CIN/GLN               | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section under Companies Act, 2013 |
|--------|--|-----------------------|--------------------------------|------------------|--|
| 25     | Airmid Power Limited. Address: 5th Floor, Tower-B, Worldmark - 1, Aerocity, New Delhi-110037   | U40109DL2008PLC174462 | Subsidiary                     | 100%             | 2(87)  |
| 26     | Angina Power Limited. Address: 5th Floor, Tower-B, Worldmark - 1, Aerocity, New Delhi-110037   | U45204DL2008PLC177190 | Subsidiary                     | 100%             | 2(87)  |
| 27     | Hecate Power and Energy Resources Limited. Address: 5th Floor, Tower-B, Worldmark - 1, Aerocity, New Delhi-110037  | U40103DL2008PLC179261 | Subsidiary                     | 100%             | 2(87)  |
| 28     | Poena Power Limited. Address: 5th Floor, Tower-B, Worldmark - 1, Aerocity, New Delhi-110037  | U40107DL2008PLC179263 | Subsidiary                     | 100%             | 2(87)  |
| 29     | Hecate Energy Trading Limited. Address: 5th Floor, Tower-B, Worldmark - 1, Aerocity, New Delhi-110037  | U40300DL2008PLC179477 | Subsidiary                     | 100%             | 2(87)  |
| 30     | Hecate Energy Private Limited. Address: 5th Floor, Tower-B, Worldmark - 1, Aerocity, New Delhi-110037  | U40104DL2008PTC179773 | Subsidiary                     | 100%             | 2(87)  |
| 31     | Hecate Power Projects Limited. Address: 5th Floor, Tower-B, Worldmark - 1, Aerocity, New Delhi-110037  | U40104DL2008PLC179781 | Subsidiary                     | 100%             | 2(87)  |
| 32     | Poena Thermal Power Limited. Address: 5th Floor, Tower-B, Worldmark - 1, Aerocity, New Delhi-110037  | U40104DL2008PLC179779 | Subsidiary                     | 100%             | 2(87)  |
| 33     | Poena Power Services Limited. Address: 5th Floor, Tower-B, Worldmark - 1, Aerocity, New Delhi-110037   | U40104DL2008PLC179780 | Subsidiary                     | 100%             | 2(87)  |
| 34     | Poena Power Generation Limited. Address: 5th Floor, Tower-B, Worldmark - 1, Aerocity, New Delhi-110037   | U40104DL2008PLC179991 | Subsidiary                     | 100%             | 2(87)  |
| 35     | Poena Power Distributors Limited. Address: 5th Floor, Tower-B, Worldmark - 1, Aerocity, New Delhi-110037   | U40104DL2008PLC179782 | Subsidiary                     | 100%             | 2(87)  |
| 36     | Poena Hydro Power Projects Limited. Address: 5th Floor, Tower-B, Worldmark - 1, Aerocity, New Delhi-110037   | U40101DL2008PLC179783 | Subsidiary                     | 100%             | 2(87)  |
| 37     | Poena Power Trading Limited. Address: 5th Floor, Tower-B, Worldmark - 1, Aerocity, New Delhi-110037  | U40104DL2008PLC179786 | Subsidiary                     | 100%             | 2(87)  |
| 38     | Sinnar Power Transmission Company Limited (100% subsidiary of RattanIndia Nasik Power Limited). Address: 5th Floor, Tower-B, Worldmark - 1, Aerocity, New Delhi-110037 | U40104DL2008PLC180166 | Subsidiary                     | 100%             | 2(87)  |
| 39     | Devona Power Development Limited. Address: 5th Floor, Tower-B, Worldmark - 1, Aerocity, New Delhi-110037   | U40107DL2008PLC180351 | Subsidiary                     | 100%             | 2(87)  |
| 40     | Albina Power Transmission Limited. Address: 5th Floor, Tower-B, Worldmark - 1, Aerocity, New Delhi-110037  | U45207DL2008PLC180234 | Subsidiary                     | 100%             | 2(87)  |
| 41     | Devona Power Generation Limited. Address: 5th Floor, Tower-B, Worldmark - 1, Aerocity, New Delhi-110037  | U45207DL2008PLC180178 | Subsidiary                     | 100%             | 2(87)  |
| 42     | Hecate Power Development Limited. Address: 5th Floor, Tower-B, Worldmark - 1, Aerocity, New Delhi-110037   | U45207DL2008PLC180510 | Subsidiary                     | 100%             | 2(87)  |
| 43     | Hecate Power Systems Limited. Address: 5th Floor, Tower-B, Worldmark - 1, Aerocity, New Delhi-110037   | U40101DL2008PLC180525 | Subsidiary                     | 100%             | 2(87)  |
| 44     | Hecate Power Utility Limited. Address: 5th Floor, Tower-B, Worldmark - 1, Aerocity, New Delhi-110037   | U45207DL2008PLC180610 | Subsidiary                     | 100%             | 2(87)  |

# Annexure 'B' to Board's Report (contd.)

## Extract of Annual Return

| S. No. | Name and address of the company  | CIN/GLN               | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section under Companies Act, 2013 |
|--------|--|-----------------------|--------------------------------|------------------|--|
| 45     | Hecate Power Transmission Limited. Address: 5th Floor, Tower-B, Worldmark - 1, Aerocity, New Delhi-110037  | U45207DL2008PLC180519 | Subsidiary                     | 80%              | 2(87)  |
| 46     | Hecate Electric Limited. Address: 5th Floor, Tower-B, Worldmark - 1, Aerocity, New Delhi-110037  | U40104DL2008PLC180506 | Subsidiary                     | 100%             | 2(87)  |
| 47     | Poena Power Development Limited. Address: 5th Floor, Tower-B, Worldmark - 1, Aerocity, New Delhi-110037  | U45207DL2008PLC180508 | Subsidiary                     | 100%             | 2(87)  |
| 48     | Poena Power Systems Limited. Address: 5th Floor, Tower-B, Worldmark - 1, Aerocity, New Delhi-110037  | U45207DL2008PLC180509 | Subsidiary                     | 100%             | 2(87)  |
| 49     | Poena Power Management Limited. Address: 5th Floor, Tower-B, Worldmark - 1, Aerocity, New Delhi-110037   | U40109DL2008PLC180692 | Subsidiary                     | 100%             | 2(87)  |
| 50     | Poena Power Utility Limited. Address: 5th Floor, Tower-B, Worldmark - 1, Aerocity, New Delhi-110037  | U45207DL2008PLC180613 | Subsidiary                     | 100%             | 2(87)  |
| 51     | Poena Power Solutions Limited. Address: 5th Floor, Tower-B, Worldmark - 1, Aerocity, New Delhi-110037  | U45207DL2008PLC180606 | Subsidiary                     | 100%             | 2(87)  |
| 52     | Sentia Electric Limited. Address: 5th Floor, Tower-B, Worldmark - 1, Aerocity, New Delhi-110037  | U45207DL2008PLC181706 | Subsidiary                     | 100%             | 2(87)  |
| 53     | Sentia Electricity Generation Limited. Address: 5th Floor, Tower-B, Worldmark - 1, Aerocity, New Delhi-110037  | U45207DL2008PLC181701 | Subsidiary                     | 100%             | 2(87)  |
| 54     | Albina Thermal Power Management Limited. Address: 5th Floor, Tower-B, Worldmark - 1, Aerocity, New Delhi-110037  | U45207DL2008PLC181698 | Subsidiary                     | 100%             | 2(87)  |
| 55     | Devona Thermal Power Projects Limited. Address: 5th Floor, Tower-B, Worldmark - 1, Aerocity, New Delhi-110037  | U45207DL2008PLC181769 | Subsidiary                     | 100%             | 2(87)  |
| 56     | Albina Thermal Projects Limited. Address: 5th Floor, Tower-B, Worldmark - 1, Aerocity, New Delhi-110037  | U40300DL2008PLC181793 | Subsidiary                     | 100%             | 2(87)  |
| 57     | Albina Power Trading Limited. Address: 5th Floor, Tower-B, Worldmark - 1, Aerocity, New Delhi-110037   | U45400DL2007PLC167741 | Subsidiary                     | 100%             | 2(87)  |
| 58     | Devona Power Distribution Limited. Address: 5th Floor, Tower-B, Worldmark - 1, Aerocity, New Delhi-110037  | U45400DL2007PLC167740 | Subsidiary                     | 100%             | 2(87)  |
| 59     | RattanIndia Nasik Power Limited. Address: 5th Floor, Tower-B, Worldmark - 1, Aerocity, New Delhi-110037  | U70109DL2007PLC157316 | Subsidiary                     | 100%             | 2(87)  |
| 60     | Elena Power And Infrastructure Limited. Address: 5th Floor, Tower-B, Worldmark - 1, Aerocity, New Delhi-110037   | U45204DL2008PLC177186 | Subsidiary                     | 100%             | 2(87)  |
| 61     | Sentia Power Limited. Address: 5th Floor, Tower-B, Worldmark - 1, Aerocity, New Delhi-110037   | U74120DL2008PLC178299 | Subsidiary                     | 100%             | 2(87)  |
| 62     | Bracond Limited. Address: 77, Strovolos Avenues, Strovolos Centre, Flat/Office 204, 2018 Strovolos, Nicosia, Cyprus.                                       |                       | Subsidiary                     | 100%             | 2(87)  |
| 63     | Genoformus Limited (100% subsidiary of Bracond Limited) Address: 77, Strovolos Avenues, Strovolos Centre, Flat/Office 204, 2018 Strovolos, Nicosia, Cyprus |                       | Subsidiary                     | 100%             | 2(87)  |
| 64     | Renemark Limited (100% subsidiary of Bracond Limited) Address: 77, Strovolos Avenues, Strovolos Centre, Flat/Office 204, 2018 Strovolos, Nicosia, Cyprus   |                       | Subsidiary                     | 100%             | 2(87)  |

# Annexure 'B' to Board's Report (contd.)

## Extract of Annual Return

### IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

#### (i) Category-wise Share Holding

| Category of Shareholders   | No. of Shares held at the beginning of the year<br>[As on 1-April-2017] |          |                      |                   | No. of Shares held at the end of the year<br>[As on 31-March-2018] |          |                      |                   | % Change during the year# |
|--|---|----------|----------------------|-------------------|--|----------|----------------------|-------------------|---------------------------|
|  | Demat   | Physical | Total                | % of Total Shares | Demat  | Physical | Total                | % of Total Shares |                           |
| <b>A. Promoters</b>  |   |          |                      |                   |  |          |                      |                   |                           |
| <b>(1) Indian</b>  |   |          |                      |                   |  |          |                      |                   |                           |
| a) Individual/ HUF   | -   | -        | -                    | -                 | -  | -        | -                    | -                 | -                         |
| b) Central Govt  | -   | -        | -                    | -                 | -  | -        | -                    | -                 | -                         |
| c) State Govt(s)   | -   | -        | -                    | -                 | -  | -        | -                    | -                 | -                         |
| d) Bodies Corp.  | 1,590,000,000   | -        | 1,590,000,000        | 53.85%            | 1,590,000,000  | -        | 1,590,000,000        | 53.85%            | 0.00%                     |
| e) Banks / FI  | -   | -        | -                    | -                 | -  | -        | -                    | -                 | -                         |
| f) Any other   | 107,500,000   | -        | 107,500,000          | 3.64%             | 7,500,000  | -        | 7,500,000            | 0.25%             | -3.39%                    |
| <b>Sub Total (A) (1)</b>   | <b>1,697,500,000</b>  | <b>-</b> | <b>1,697,500,000</b> | <b>57.49%</b>     | <b>1,597,500,000</b>   | <b>-</b> | <b>1,597,500,000</b> | <b>54.10%</b>     | <b>-3.39%</b>             |
| <b>(2) Foreign</b>   |   |          |                      |                   |  |          |                      |                   |                           |
| a) NRI Individuals   | -   | -        | -                    | -                 | -  | -        | -                    | -                 | -                         |
| b) Other Individuals   | -   | -        | -                    | -                 | -  | -        | -                    | -                 | -                         |
| c) Bodies Corp.  | -   | -        | -                    | -                 | -  | -        | -                    | -                 | -                         |
| d) Banks / FI  | -   | -        | -                    | -                 | -  | -        | -                    | -                 | -                         |
| e) Any other   | -   | -        | -                    | -                 | -  | -        | -                    | -                 | -                         |
| <b>Sub Total (A) (2)</b>   | <b>-</b>  | <b>-</b> | <b>-</b>             | <b>-</b>          | <b>-</b>   | <b>-</b> | <b>-</b>             | <b>-</b>          | <b>-</b>                  |
| <b>TOTAL (A)</b>   | <b>1,697,500,000</b>  | <b>-</b> | <b>1,697,500,000</b> | <b>57.49%</b>     | <b>1,597,500,000</b>   | <b>-</b> | <b>1,597,500,000</b> | <b>54.10%</b>     | <b>-3.39%</b>             |
| <b>B. Public Shareholding</b>  |   |          |                      |                   |  |          |                      |                   |                           |
| <b>1. Institutions</b>   |   |          |                      |                   |  |          |                      |                   |                           |
| a) Mutual Funds  | 8,026,164   | -        | 8,026,164            | 0.27%             | 8,026,164  | -        | 8,026,164            | 0.27%             | 0.00%                     |
| b) Banks / FI  | 8,392,277   | -        | 8,392,277            | 0.28%             | 11,893,949   | -        | 11,893,949           | 0.40%             | 0.12%                     |
| c) Central Govt  | -   | -        | -                    | -                 | -  | -        | -                    | -                 | -                         |
| d) State Govt(s)   | -   | -        | -                    | -                 | -  | -        | -                    | -                 | -                         |
| e) Venture Capital Funds   | -   | -        | -                    | -                 | -  | -        | -                    | -                 | -                         |
| f) Insurance Companies   | 616,172   | -        | 616,172              | 0.02%             | 616,172  | -        | 616,172              | 0.02%             | 0.00%                     |
| g) FIIs/FPI  | 82,729,405  | -        | 82,729,405           | 2.80%             | 87,126,698   | -        | 87,126,698           | 2.95%             | 0.15%                     |
| h) Foreign Venture Capital Funds                                       | 393,273,458   | -        | 393,273,458          | 13.32%            | 393,273,458  | -        | 393,273,458          | 13.32%            | 0.00%                     |
| i) Others (specify)  | -   | -        | -                    | -                 | -  | -        | -                    | -                 | -                         |
| <b>Sub-total (B)(1):-</b>  | <b>493,037,476</b>  | <b>-</b> | <b>493,037,476</b>   | <b>16.70%</b>     | <b>500,936,441</b>   | <b>-</b> | <b>500,936,441</b>   | <b>16.96%</b>     | <b>0.27%</b>              |
| <b>2. Non-Institutions</b>   |   |          |                      |                   |  |          |                      |                   |                           |
| <b>a) Bodies Corp.</b>   |   |          |                      |                   |  |          |                      |                   |                           |
| i) Indian  | 279,341,268   | -        | 279,341,268          | 9.46%             | 311,516,852  | -        | 311,516,852          | 10.55%            | 1.09%                     |
| ii) Overseas   | 123,896,116   | -        | 123,896,116          | 4.20%             | -  | -        | -                    | 0.00%             | -4.20%                    |
| <b>b) Individuals</b>  |   |          |                      |                   |  |          |                      |                   |                           |
| i) Individual shareholders holding nominal share capital upto ₹ 1 lakh | 137,712,571   | 35,386   | 137,747,957          | 4.66%             | 195,629,494  | 29,986   | 195,659,480          | 6.63%             | 1.97%                     |



# Annexure 'B' to Board's Report (contd.)

## Extract of Annual Return

| Category of Shareholders  | No. of Shares held at the beginning of the year<br>[As on 1-April-2017] |               |                      |                   | No. of Shares held at the end of the year<br>[As on 31-March-2018] |               |                      |                   | % Change during the year# |
|---|---|---------------|----------------------|-------------------|--|---------------|----------------------|-------------------|---------------------------|
|   | Demat   | Physical      | Total                | % of Total Shares | Demat  | Physical      | Total                | % of Total Shares |                           |
| ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh | 183,595,074   | -             | 183,595,074          | 6.22%             | 299,368,367  | -             | 299,368,367          | 10.14%            | 3.92%                     |
| <b>c) Others (specify)</b>  | -   | -             | -                    | -                 | -  | -             | -                    | -                 | -                         |
| Non Resident Indians  | 13,339,343  | -             | 13,339,343           | 0.45%             | 22,201,277   | -             | 22,201,277           | 0.75%             | 0.30%                     |
| Qualified Foreign Investor  | -   | -             | -                    | -                 | -  | -             | -                    | -                 | -                         |
| Clearing Members  | 2,174,649   | -             | 2,174,649            | 0.07%             | 3,449,466  | -             | 3,449,466            | 0.12%             | 0.50%                     |
| Trusts  | -   | -             | -                    | -                 | -  | -             | -                    | -                 | -                         |
| Other Foreign Entities  | 22,301,470  | -             | 22,301,470           | 0.76%             | 22,301,470   | -             | 22,301,470           | 0.76%             | 0.00%                     |
| <b>Sub-total (B)(2):-</b>   | <b>762,360,491</b>  | <b>35,386</b> | <b>762,395,877</b>   | <b>25.82%</b>     | <b>854,466,926</b>   | <b>29,986</b> | <b>854,496,912</b>   | <b>28.94%</b>     | <b>3.12%</b>              |
| <b>Total Public (B)</b>   | <b>1,255,397,967</b>  | <b>35,386</b> | <b>1,255,433,353</b> | <b>42.51%</b>     | <b>1,355,403,367</b>   | <b>29,986</b> | <b>1,355,433,353</b> | <b>45.90%</b>     | <b>3.39%</b>              |
| <b>C. Shares held by Custodian for GDRs &amp; ADRs</b>                          | -   | -             | -                    | -                 | -  | -             | -                    | -                 | -                         |
| <b>Grand Total (A+B+C)</b>  | <b>2,952,897,967</b>  | <b>35,386</b> | <b>2,952,933,353</b> | <b>100.00%</b>    | <b>2,952,903,367</b>   | <b>29,986</b> | <b>2,952,933,353</b> | <b>100.00%</b>    | <b>-</b>                  |

### (ii) Shareholding of Promoters

| S. No. | Shareholder's Name                 | Shareholding at the beginning of the year |                                  |  | Shareholding at the end of the year |                                  |  | % change in shareholding during the year |
|--------|------------------------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|--|
|        |                                    | No. of Shares                             | % of total Shares of the company | % of Shares Pledged/encumbered to total shares | No. of Shares                       | % of total Shares of the company | % of Shares Pledged / encumbered to total shares |  |
| 1      | RattanIndia Infrastructure Limited | 1,185,000,000                             | 40.13%                           | 96.65%   | 1,185,000,000                       | 40.13%                           | 100.00%  | 0.00%                                    |
| 2      | IPL PPSL Scheme Trust              | 107,500,000                               | 3.64%                            | 100%   | 7,500,000                           | 0.25%                            | 100%   | -3.39%                                   |
| 3      | RR Infralands Private Limited      | 405,000,000                               | 13.72%                           | 94.62%   | 405,000,000                         | 13.72%                           | 84.81%   | 0.00%                                    |

### (iii) Change in Promoters' Shareholding (please specify, if there is no change)

| S. No.   | Particulars                               | Date       | Reason                    | Shareholding at the beginning of the year |                   | Cumulative Shareholding during the year |                   |
|----------|---|------------|---------------------------|---|-------------------|---|-------------------|
|          |   |            |                           | No. of shares                             | % of total shares | No. of shares                           | % of total shares |
| <b>1</b> | <b>RattanIndia Infrastructure Limited</b> |            |                           |   |                   |   |                   |
|          | At the beginning of the year              | 01.04.2017 |                           | 1185000000                                | 40.13%            | 1185000000                              | 40.13%            |
|          | Changes during the year                   |            | No change During the year |   |                   |   |                   |
|          | At the end of the year                    | 31.03.2018 |                           | 1185000000                                | 40.13%            | 1185000000                              | 40.13%            |

# Annexure 'B' to Board's Report (contd.)

## Extract of Annual Return

| S. No. | Particulars                   | Date       | Reason               | Shareholding at the beginning of the year |                   | Cumulative Shareholding during the year |                   |
|--------|-------------------------------|------------|----------------------|---|-------------------|---|-------------------|
|        |                               |            |                      | No. of shares                             | % of total shares | No. of shares                           | % of total shares |
| 2      | RR Infralands Private Limited |            |                      |   |                   |   |                   |
|        | At the beginning of the year  | 01.04.2017 |                      | 405000000                                 | 13.72%            | 405000000                               | 13.72%            |
|        | Changes during the year       | 27.12.2017 | Invocation of pledge | (100,000,000)                             | -3.39%            | 305000000                               | 10.33%            |
|        |                               | 27.03.2018 | Inter-se transfer*   | 100000000                                 | 3.39%             | 405000000                               | 13.72%            |
|        | At the end of the year        | 31.03.2018 |                      | 405000000                                 | 13.72%            | 405000000                               | 13.72%            |

\* 10,00,00,000 Equity Shares were transferred Inter-se between the Promoters.

| S. No. | Particulars                  | Date       | Reason             | Shareholding at the beginning of the year |                   | Cumulative Shareholding during the year |                   |
|--------|------------------------------|------------|--------------------|---|-------------------|---|-------------------|
|        |                              |            |                    | No. of shares                             | % of total shares | No. of shares                           | % of total shares |
| 3      | IPL PPSL Scheme Trust        |            |                    |   |                   |   |                   |
|        | At the beginning of the year | 01.04.2017 |                    | 107500000                                 | 3.64%             | 107500000                               | 3.64%             |
|        | Changes during the year      | 27.03.2018 | Inter-se transfer* | (100,000,000)                             | -3.39%            | 7500000                                 | 0.25%             |
|        | At the end of the year       | 31.03.2018 |                    | 7500000                                   | 0.25%             | 7500000                                 | 0.25%             |

\* 10,00,00,000 Equity Shares were transferred Inter-se between Promoters.

### (iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

| S. No. | For each of the Top 10 shareholders                         | Date       | Reason                    | Shareholding at the beginning of the year |                   | Cumulative Shareholding during the year |                   |
|--------|---|------------|---------------------------|---|-------------------|---|-------------------|
|        |   |            |                           | No. of shares                             | % of total shares | No. of shares                           | % of total shares |
| 1      | Name: FIM LIMITED   |            |                           |   |                   |   |                   |
|        | At the beginning of the year                                | 01.04.2017 |                           | 393,273,458                               | 13.32%            | 393,273,458                             | 13.32%            |
|        | Changes during the year                                     |            | No change During the year | -   | 0.00%             | -                                       | 0.00%             |
|        | At the end of the year                                      | 31.03.2018 |                           | 393,273,458                               | 13.32%            | 393,273,458                             | 13.32%            |
| 2      | Name: Indiabulls Real Estate Limited                        |            |                           |   |                   |   |                   |
|        | At the beginning of the year                                | 01.04.2017 |                           | 219,050,000                               | 7.42%             | 219,050,000                             | 7.42%             |
|        | Changes during the year                                     |            | No change During the year | -   | 0.00%             | -                                       | 0.00%             |
|        | At the end of the year                                      | 31.03.2018 |                           | 219,050,000                               | 7.42%             | 219,050,000                             | 7.42%             |
| 3      | Name: 'VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES |            |                           |   |                   |   |                   |
|        | At the beginning of the year                                | 01.04.2017 |                           | 27,422,407                                | 0.93%             | 27,422,407                              | 0.93%             |
|        | Changes during the year                                     | 25.08.2017 | Bought                    | 230,721                                   | 0.01%             | 27,653,128                              | 0.94%             |
|        |   | 12.01.2018 | Bought                    | 5,500,076                                 | 0.19%             | 33,153,204                              | 1.12%             |
|        |   | 23.03.2018 | Bought                    | 33,153,204                                | 1.12%             | 66,306,408                              | 2.25%             |
|        |   | 23.03.2018 | Sold                      | (33,153,204)                              | -1.12%            | 33,153,204                              | 1.12%             |
|        | At the end of the year                                      | 31.03.2018 |                           | 33,153,204                                | 1.12%             | 33,153,204                              | 1.12%             |

# Annexure 'B' to Board's Report (contd.)

## Extract of Annual Return

| S. No.                 | For each of the Top 10 shareholders                | Date       | Reason                       | Shareholding at the beginning of the year |                   | Cumulative Shareholding during the year |                   |
|------------------------|--|------------|------------------------------|---|-------------------|---|-------------------|
|                        |  |            |                              | No. of shares                             | % of total shares | No. of shares                           | % of total shares |
| 4                      | Name:VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND |            |                              |   |                   |   |                   |
|                        | At the beginning of the year                       | 01.04.2017 |                              | 23,543,157                                | 0.80%             | 23,543,157                              | 0.80%             |
|                        | Changes during the year                            | 19.05.2017 | Bought                       | 390,655                                   | 0.01%             | 23,933,812                              | 0.81%             |
|                        |  | 26.05.2017 | Bought                       | 482,629                                   | 0.02%             | 24,416,441                              | 0.83%             |
|                        |  | 01.09.2017 | Bought                       | 160,703                                   | 0.01%             | 24,577,144                              | 0.83%             |
|                        |  | 08.09.2017 | Bought                       | 923,468                                   | 0.03%             | 25,500,612                              | 0.86%             |
| At the end of the year | 31.03.2018   |            | 25,500,612                   | 0.86%                                     | 25,500,612        | 0.86%                                   |                   |
| 5                      | Name: ARISTON INVESTMENTS SUB C LIMITED            |            |                              |   |                   |   |                   |
|                        | At the beginning of the year                       | 01.04.2017 |                              | 22,301,470                                | 0.76%             | 22,301,470                              | 0.76%             |
|                        | Changes during the year                            |            | No change<br>During the year | -   | 0.00%             | -                                       | 0.00%             |
|                        | At the end of the year                             | 31.03.2018 |                              | 22,301,470                                | 0.76%             | 22,301,470                              | 0.76%             |
| 6                      | Name: HSBC INDIAN EQUITY MOTHER FUND               |            |                              |   |                   |   |                   |
|                        | At the beginning of the year                       | 01.04.2017 |                              | 11,396,533                                | 0.39%             | 11,396,533                              | 0.39%             |
|                        | Changes during the year                            | 17.11.2017 | Sold                         | (500,000)                                 | -0.02%            | 10,896,533                              | 0.37%             |
|                        |  | 24.11.2017 | Sold                         | (955,564)                                 | -0.03%            | 9,940,969                               | 0.34%             |
|                        |  | 08.12.2017 | Sold                         | (1,000,000)                               | -0.03%            | 8,940,969                               | 0.30%             |
|                        |  | 15.12.2017 | Sold                         | (294,203)                                 | -0.01%            | 8,646,766                               | 0.29%             |
|                        |  | 29.12.2017 | Sold                         | (205,797)                                 | -0.01%            | 8,440,969                               | 0.29%             |
|                        | At the end of the year                             | 31.03.2018 |                              | 8,440,969                                 | 0.29%             | 8,440,969                               | 0.29%             |
| 7                      | Name: 'IL AND FS SECURITIES SERVICES LIMITED       |            |                              |   |                   |   |                   |
|                        | At the beginning of the year                       | 01.04.2017 |                              | 1,216,839                                 | 0.04%             | 1,216,839                               | 0.04%             |
|                        | Changes during the year                            | 07.04.2017 | Sold                         | (72,500)                                  | 0.00%             | 1,144,339                               | 0.04%             |
|                        |  | 14.04.2017 | Bought                       | 463,175                                   | 0.02%             | 1,607,514                               | 0.05%             |
|                        |  | 21.04.2017 | Sold                         | (130,219)                                 | 0.00%             | 1,477,295                               | 0.05%             |
|                        |  | 28.04.2017 | Bought                       | 117,416                                   | 0.00%             | 1,594,711                               | 0.05%             |
|                        |  | 05.05.2017 | Sold                         | (8,500)                                   | 0.00%             | 1,586,211                               | 0.05%             |
|                        |  | 12.05.2017 | Bought                       | 25,104                                    | 0.00%             | 1,611,315                               | 0.05%             |
|                        |  | 19.05.2017 | Sold                         | (3,458)                                   | 0.00%             | 1,607,857                               | 0.05%             |
|                        |  | 26.05.2017 | Bought                       | 729,956                                   | 0.02%             | 2,337,813                               | 0.08%             |
|                        |  | 02.06.2017 | Sold                         | (31,150)                                  | 0.00%             | 2,306,663                               | 0.08%             |
|                        |  | 09.06.2017 | Bought                       | 19,040                                    | 0.00%             | 2,325,703                               | 0.08%             |
|                        |  | 16.06.2017 | Bought                       | 9,750                                     | 0.00%             | 2,335,453                               | 0.08%             |
|                        |  | 23.06.2017 | Bought                       | 48,595                                    | 0.00%             | 2,384,048                               | 0.08%             |
|                        |  | 30.06.2017 | Bought                       | 190,750                                   | 0.01%             | 2,574,798                               | 0.09%             |
|                        |  | 07.07.2017 | Bought                       | 83,500                                    | 0.00%             | 2,658,298                               | 0.09%             |
|                        |  | 14.07.2017 | Bought                       | 14,624                                    | 0.00%             | 2,672,922                               | 0.09%             |
|                        |  | 21.07.2017 | Sold                         | (38,804)                                  | 0.00%             | 2,634,118                               | 0.09%             |
|                        |  | 28.07.2017 | Bought                       | 7,182                                     | 0.00%             | 2,641,300                               | 0.09%             |
|                        |  | 04.08.2017 | Bought                       | 139,333                                   | 0.00%             | 2,780,633                               | 0.09%             |
|                        |  | 11.08.2017 | Bought                       | 40,300                                    | 0.00%             | 2,820,933                               | 0.10%             |

# Annexure 'B' to Board's Report (contd.)

## Extract of Annual Return

| S. No. | For each of the Top 10 shareholders | Date       | Reason | Shareholding at the beginning of the year |                   | Cumulative Shareholding during the year |                   |
|--------|-------------------------------------|------------|--------|---|-------------------|---|-------------------|
|        |                                     |            |        | No. of shares                             | % of total shares | No. of shares                           | % of total shares |
|        |                                     | 18.08.2017 | Sold   | (123,300)                                 | 0.00%             | 2,697,633                               | 0.09%             |
|        |                                     | 25.08.2017 | Sold   | (2,010)                                   | 0.00%             | 2,695,623                               | 0.09%             |
|        |                                     | 01.09.2017 | Bought | 30,327                                    | 0.00%             | 2,725,950                               | 0.09%             |
|        |                                     | 08.09.2017 | Sold   | (50,675)                                  | 0.00%             | 2,675,275                               | 0.09%             |
|        |                                     | 15.09.2017 | Sold   | (69,452)                                  | 0.00%             | 2,605,823                               | 0.09%             |
|        |                                     | 22.09.2017 | Bought | 3,081                                     | 0.00%             | 2,608,904                               | 0.09%             |
|        |                                     | 29.09.2017 | Bought | 56,828                                    | 0.00%             | 2,665,732                               | 0.09%             |
|        |                                     | 06.10.2017 | Bought | 41,386                                    | 0.00%             | 2,707,118                               | 0.09%             |
|        |                                     | 13.10.2017 | Sold   | (70,562)                                  | 0.00%             | 2,636,556                               | 0.09%             |
|        |                                     | 20.10.2017 | Sold   | (18,327)                                  | 0.00%             | 2,618,229                               | 0.09%             |
|        |                                     | 27.10.2017 | Bought | 32,861                                    | 0.00%             | 2,651,090                               | 0.09%             |
|        |                                     | 31.10.2017 | Bought | 172,405                                   | 0.01%             | 2,823,495                               | 0.10%             |
|        |                                     | 03.11.2017 | Bought | 130,995                                   | 0.00%             | 2,954,490                               | 0.10%             |
|        |                                     | 10.11.2017 | Bought | 306,669                                   | 0.01%             | 3,261,159                               | 0.11%             |
|        |                                     | 17.11.2017 | Bought | 8,734                                     | 0.00%             | 3,269,893                               | 0.11%             |
|        |                                     | 24.11.2017 | Sold   | (147,950)                                 | -0.01%            | 3,121,943                               | 0.11%             |
|        |                                     | 01.12.2017 | Bought | 459,072                                   | 0.02%             | 3,581,015                               | 0.12%             |
|        |                                     | 08.12.2017 | Bought | 514,187                                   | 0.02%             | 4,095,202                               | 0.14%             |
|        |                                     | 08.12.2017 | Sold   | (158,654)                                 | -0.01%            | 3,936,548                               | 0.13%             |
|        |                                     | 15.12.2017 | Bought | 112,990                                   | 0.00%             | 4,049,538                               | 0.14%             |
|        |                                     | 22.12.2017 | Sold   | (86,671)                                  | 0.00%             | 3,962,867                               | 0.13%             |
|        |                                     | 29.12.2017 | Sold   | (8,822)                                   | 0.00%             | 3,954,045                               | 0.13%             |
|        |                                     | 30.12.2017 | Bought | 600                                       | 0.00%             | 3,954,645                               | 0.13%             |
|        |                                     | 05.01.2018 | Bought | 1,265,262                                 | 0.04%             | 5,219,907                               | 0.18%             |
|        |                                     | 12.01.2018 | Sold   | (13,955)                                  | 0.00%             | 5,205,952                               | 0.18%             |
|        |                                     | 19.01.2018 | Bought | 1,785,158                                 | 0.06%             | 6,991,110                               | 0.24%             |
|        |                                     | 26.01.2018 | Bought | 766,434                                   | 0.03%             | 7,757,544                               | 0.26%             |
|        |                                     | 02.02.2018 | Bought | 544,314                                   | 0.02%             | 8,301,858                               | 0.28%             |
|        |                                     | 02.02.2018 | Sold   | (661,272)                                 | -0.02%            | 7,640,586                               | 0.26%             |
|        |                                     | 09.02.2018 | Bought | 330,540                                   | 0.01%             | 7,971,126                               | 0.27%             |
|        |                                     | 16.02.2018 | Bought | 60,765                                    | 0.00%             | 8,031,891                               | 0.27%             |
|        |                                     | 23.02.2018 | Bought | 204,377                                   | 0.01%             | 8,236,268                               | 0.28%             |
|        |                                     | 02.03.2018 | Bought | 224,809                                   | 0.01%             | 8,461,077                               | 0.29%             |
|        |                                     | 02.03.2018 | Sold   | (531,373)                                 | -0.02%            | 7,929,704                               | 0.27%             |
|        |                                     | 09.03.2018 | Sold   | (625,906)                                 | -0.02%            | 7,303,798                               | 0.25%             |
|        |                                     | 16.03.2018 | Bought | 145,098                                   | 0.00%             | 7,448,896                               | 0.25%             |
|        |                                     | 23.03.2018 | Sold   | (571,509)                                 | -0.02%            | 6,877,387                               | 0.23%             |
|        |                                     | 30.03.2018 | Sold   | (93,621)                                  | 0.00%             | 6,783,766                               | 0.23%             |
|        |                                     | 31.03.2018 | Sold   | (14,113)                                  | 0.00%             | 6,769,653                               | 0.23%             |
|        | At the end of the year              |            |        | 6,769,653                                 | 0.23%             | 6,769,653                               | 0.23%             |

# Annexure 'B' to Board's Report (contd.)

## Extract of Annual Return

| S. No.                 | For each of the Top 10 shareholders                                | Date                   | Reason                       | Shareholding at the beginning of the year |                   | Cumulative Shareholding during the year |                   |
|------------------------|--|------------------------|------------------------------|---|-------------------|---|-------------------|
|                        |  |                        |                              | No. of shares                             | % of total shares | No. of shares                           | % of total shares |
| 8                      | Name: ‘PRINCIPAL TRUSTEE COMPANY PVT LTD A/C PRINCIPAL MUTUAL FUND |                        |                              |   |                   |   |                   |
|                        | At the beginning of the year                                       | 01.04.2017             |                              | 6,155,764                                 | 0.21%             | 6,155,764                               | 0.21%             |
|                        | Changes during the year  |                        | No change<br>During the year | -   | 0.00%             | -                                       | 0.00%             |
|                        | At the end of the year   | 31.03.2018             |                              | 6,155,764                                 | 0.21%             | 6,155,764                               | 0.21%             |
| 9                      | Name: ‘MANJUSHA ANIL LODHA   |                        |                              |   |                   |   |                   |
|                        | At the beginning of the year                                       | 01.04.2017             |                              | 1,125,000                                 | 0.04%             | 1,125,000                               | 0.04%             |
|                        | Changes during the year  | 23.02.2018             | Bought                       | 3,081,805                                 | 0.10%             | 4,206,805                               | 0.14%             |
|                        |  | 23.03.2018             | Bought                       | 1716000                                   | 0.06%             | 5,922,805                               | 0.20%             |
| At the end of the year | 31.03.2018   |                        | 5,922,805                    | 0.20%                                     | 5,922,805         | 0.20%                                   |                   |
| 10                     | Name: ‘RISHIKESH PARTHASARATHI                                     |                        |                              |   |                   |   |                   |
|                        | At the beginning of the year                                       | 01.04.2017             |                              | -   | 0.00%             | -                                       | 0.00%             |
|                        | Changes during the year  | 01.09.2017             | Bought                       | 900,000                                   | 0.03%             | 900,000                                 | 0.03%             |
|                        |  | 22.09.2017             | Bought                       | 900,000                                   | 0.03%             | 1,800,000                               | 0.06%             |
|                        |  | 22.09.2017             | Sold                         | (900,000)                                 | -0.03%            | 900,000                                 | 0.03%             |
|                        |  | 13.10.2017             | Bought                       | 30,000                                    | 0.00%             | 930,000                                 | 0.03%             |
|                        |  | 27.10.2017             | Bought                       | 195,000                                   | 0.01%             | 1,125,000                               | 0.04%             |
|                        |  | 31.10.2017             | Bought                       | 35,000                                    | 0.00%             | 1,160,000                               | 0.04%             |
|                        |  | 10.11.2017             | Bought                       | 425,000                                   | 0.01%             | 1,585,000                               | 0.05%             |
|                        |  | 17.11.2017             | Bought                       | 15,000                                    | 0.00%             | 1,600,000                               | 0.05%             |
|                        |  | 12.01.2018             | Bought                       | 585,000                                   | 0.02%             | 2,185,000                               | 0.07%             |
|                        |  | 19.01.2018             | Bought                       | 1,065,000                                 | 0.04%             | 3,250,000                               | 0.11%             |
|                        |  | 26.01.2018             | Bought                       | 761,000                                   | 0.03%             | 4,011,000                               | 0.14%             |
|                        |  | 02.02.2018             | Bought                       | 164,000                                   | 0.01%             | 4,175,000                               | 0.14%             |
|                        |  | 09.02.2018             | Bought                       | 262,000                                   | 0.01%             | 4,437,000                               | 0.15%             |
|                        |  | 16.02.2018             | Bought                       | 498,000                                   | 0.02%             | 4,935,000                               | 0.17%             |
|                        |  | 23.02.2018             | Bought                       | 417,500                                   | 0.01%             | 5,352,500                               | 0.18%             |
|                        |  | 02.03.2018             | Bought                       | 82,500                                    | 0.00%             | 5,435,000                               | 0.18%             |
|                        |  | 09.03.2018             | Bought                       | 185,000                                   | 0.01%             | 5,620,000                               | 0.19%             |
|                        |  | 16.03.2018             | Bought                       | 50,000                                    | 0.00%             | 5,670,000                               | 0.19%             |
|                        |  | 30.03.2018             | Bought                       | 95,000                                    | 0.00%             | 5,765,000                               | 0.20%             |
|                        |  | At the end of the year | 31.03.2018                   |   | 5,765,000         | 0.20%                                   | 5,765,000         |

# Annexure 'B' to Board's Report (contd.)

## Extract of Annual Return

### (v) Shareholding of Directors and Key Managerial Personnel:

| S. No. | Shareholding of each Directors and each Key Managerial Personnel   | Date       | Reason                    | Shareholding at the beginning of the year |                   | Cumulative Shareholding during the year |                   |
|--------|--|------------|---------------------------|---|-------------------|---|-------------------|
|        |  |            |                           | No. of shares                             | % of total shares | No. of shares                           | % of total shares |
| 1      | Name : Mr. Rajiv Rattan  |            |                           |   |                   |   |                   |
|        | At the beginning of the year   | 01.04.2017 |                           | -   | 0.00%             | -                                       | 0.00%             |
|        | Changes during the year  |            | No change During the year | -   | 0.00%             | -                                       | 0.00%             |
|        | At the end of the year   | 31.03.2018 |                           | -   | 0.00%             | -                                       | 0.00%             |
| 2      | Name : Mr. Himanshu Mathur*  |            |                           |   |                   |   |                   |
|        | At the beginning of the year   | 01.04.2017 |                           | 10,000                                    | 0.00034%          | 10,000                                  | 0.00034%          |
|        | Changes during the year  |            | No change During the year | -   | 0.00%             | -                                       | 0.00%             |
|        | At the end of the year   | 31.03.2018 |                           | 10,000                                    | 0.00034%          | 10,000                                  | 0.00034%          |
| 3      | Name : Mr. Debashis Gupta  |            |                           |   |                   |   |                   |
|        | At the beginning of the year   | 01.04.2017 |                           | -   | 0.00%             | -                                       | 0.00%             |
|        | Changes during the year  |            | No change During the year | -   | 0.00%             | -                                       | 0.00%             |
|        | At the end of the year   | 31.03.2018 |                           | -   | 0.00%             | -                                       | 0.00%             |
| 4      | Name : Mr. Narayanasany Jeevagan   |            |                           |   |                   |   |                   |
|        | At the beginning of the year   | 01.04.2017 |                           | -   | 0.00%             | -                                       | 0.00%             |
|        | Changes during the year  |            | No change During the year | -   | 0.00%             | -                                       | 0.00%             |
|        | At the end of the year   | 31.03.2018 |                           | -   | 0.00%             | -                                       | 0.00%             |
| 5      | Name : Mrs. Namita   |            |                           |   |                   |   |                   |
|        | At the beginning of the year   | 01.04.2017 |                           | -   | 0.00%             | -                                       | 0.00%             |
|        | Changes during the year  |            | No change During the year | -   | 0.00%             | -                                       | 0.00%             |
|        | At the end of the year   | 31.03.2018 |                           | -   | 0.00%             | -                                       | 0.00%             |
|        | Mrs. Namita, appointed as a Director w.e.f. March 30, 2018.  |            |                           |   |                   |   |                   |
| 6      | Name : Mr. Jayant Shriniwas Kawale   |            |                           |   |                   |   |                   |
|        | At the beginning of the year   | 01.04.2017 |                           | -   | 0.00%             | -                                       | 0.00%             |
|        | Changes during the year  |            | No change During the year | -   | 0.00%             | -                                       | 0.00%             |
|        | At the end of the year   | 31.03.2018 |                           | -   | 0.00%             | -                                       | 0.00%             |
| 7      | Name : Mr. Tarun Kumar Prasad  |            |                           |   |                   |   |                   |
|        | At the beginning of the year   | 01.04.2017 |                           | -   | 0.00%             | -                                       | 0.00%             |
|        | Changes during the year  |            | No change During the year | -   | 0.00%             | -                                       | 0.00%             |
|        | At the end of the year   | 31.03.2018 |                           | -   | 0.00%             | -                                       | 0.00%             |
|        | Mr. Tarun Kumar Prasad, appointed as Director w.e.f. January 11, 2018 and ceased to be as such w.e.f. July 19, 2018. |            |                           |   |                   |   |                   |



# Annexure 'B' to Board's Report (contd.)

## Extract of Annual Return

| S. No. | Shareholding of each Directors and each Key Managerial Personnel    | Date       | Reason                    | Shareholding at the beginning of the year |                   | Cumulative Shareholding during the year |                   |
|--------|---|------------|---------------------------|---|-------------------|---|-------------------|
|        |   |            |                           | No. of shares                             | % of total shares | No. of shares                           | % of total shares |
| 8      | Name : Mr. Yashish Dahiya   |            |                           |   |                   |   |                   |
|        | At the beginning of the year  | 01.04.2017 |                           | -   | 0.00%             | -                                       | 0.00%             |
|        | Changes during the year   |            | No change During the year | -   | 0.00%             | -                                       | 0.00%             |
|        | At the end of the year  | 31.03.2018 |                           | -   | 0.00%             | -                                       | 0.00%             |
|        | Mr. Yashish Dahiya, ceased to be Director w.e.f. ,October 12, 2017. |            |                           |   |                   |   |                   |
| 9      | Name : Mrs. Anjali Nashier  |            |                           |   |                   |   |                   |
|        | At the beginning of the year  | 01.04.2017 |                           | -   | 0.00%             | -                                       | 0.00%             |
|        | Changes during the year   |            | No change During the year | -   | 0.00%             | -                                       | 0.00%             |
|        | At the end of the year  | 31.03.2018 |                           | -   | 0.00%             | -                                       | 0.00%             |
|        | Mrs. Anjali Nashier, ceased to be Director w.e.f. March 30, 2018.   |            |                           |   |                   |   |                   |
| 10     | Name : Mr. Sharad Behal   |            |                           |   |                   |   |                   |
|        | At the beginning of the year  | 01.04.2017 |                           | -   | 0.00%             | -                                       | 0.00%             |
|        | Changes during the year   |            | No change During the year | -   | 0.00%             | -                                       | 0.00%             |
|        | At the end of the year  | 31.03.2018 |                           | -   | 0.00%             | -                                       | 0.00%             |
| 11     | Name : Mr. Sanjiv Chhikara  |            |                           |   |                   |   |                   |
|        | At the beginning of the year  | 01.04.2017 |                           | -   | 0.00%             | -                                       | 0.00%             |
|        | Changes during the year   |            | No change During the year | -   | 0.00%             | -                                       | 0.00%             |
|        | At the end of the year  | 31.03.2018 |                           | -   | 0.00%             | -                                       | 0.00%             |
| 12     | Name : Mr. Pranab Kumar Sinha                                       |            |                           |   |                   |   |                   |
|        | At the beginning of the year  | 01.04.2017 |                           | -   | 0.00%             | -                                       | 0.00%             |
|        | Changes during the year   |            | No change During the year | -   | 0.00%             | -                                       | 0.00%             |
|        | At the end of the year  | 31.03.2018 |                           | -   | 0.00%             | -                                       | 0.00%             |
| 13     | Name : Mr. Gaurav Toshkhani   |            |                           |   |                   |   |                   |
|        | At the beginning of the year  | 01.04.2017 |                           | -   | 0.00%             | -                                       | 0.00%             |
|        | Changes during the year   |            | No change During the year | -   | 0.00%             | -                                       | 0.00%             |
|        | At the end of the year  | 31.03.2018 |                           | -   | 0.00%             | -                                       | 0.00%             |
| 14     | Name : Mr. Samir Taneja   |            |                           |   |                   |   |                   |
|        | At the beginning of the year  | 01.04.2017 |                           | -   | 0.00%             | -                                       | 0.00%             |
|        | Changes during the year   |            | No change During the year | -   | 0.00%             | -                                       | 0.00%             |
|        | At the end of the year  | 31.03.2018 |                           | -   | 0.00%             | -                                       | 0.00%             |

# Annexure 'B' to Board's Report (contd.)

## Extract of Annual Return

### V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amt. ₹/Lacs)

| Particulars  | Secured Loans<br>excluding deposits | Unsecured<br>Loans | Deposits | Total<br>Indebtedness |
|--|-------------------------------------|--------------------|----------|-----------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                                     |                    |          |                       |
| i) Principal Amount  | 689,352.15                          | 111,995.39         |          | 801,347.54            |
| ii) Interest due but not paid                              | 12,780.15                           | 4,113.74           |          | 16,893.89             |
| iii) Interest accrued but not due                          |                                     |                    |          |                       |
| <b>Total (i+ii+iii)</b>                                    | <b>702,132.30</b>                   | <b>116,109.13</b>  | <b>-</b> | <b>818,241.43</b>     |
| <b>Change in Indebtedness during the financial year</b>    |                                     |                    |          |                       |
| * Addition   | 54,480.37                           |                    |          | 54,480.37             |
| * Reduction  |                                     | 13,991.74          |          | 13,991.74             |
| <b>Net Change</b>  | <b>54,480.37</b>                    | <b>(13,991.74)</b> | <b>-</b> | <b>40,488.63</b>      |
| <b>Indebtedness at the end of the financial year</b>       |                                     |                    |          |                       |
| i) Principal Amount  | 672,330.74                          | 102,117.39         |          | 774,448.13            |
| ii) Interest due but not paid                              | 84,281.93                           |                    |          | 84,281.93             |
| iii) Interest accrued but not due                          |                                     |                    |          |                       |
| <b>Total (i+ii+iii)</b>                                    | <b>756,612.67</b>                   | <b>102,117.39</b>  | <b>-</b> | <b>858,730.06</b>     |

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

| S.<br>No. | Particulars of Remuneration   | Name of MD/WTD/ Manager        |                        | Total Amount      |
|-----------|---|--------------------------------|------------------------|-------------------|
|           | Name  | Mr. Jayant Shriniwas<br>Kawale | Mr. Himanshu<br>Mathur | (₹)               |
|           | Designation   | Managing Director              | Whole-Time<br>Director |                   |
| 1         | Gross salary  |                                |                        |                   |
|           | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 23,841,996                     | 10,299,996             | 34,141,992        |
|           | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | 1,140,000                      | -                      | 1,140,000.00      |
|           | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961             | -                              | -                      | -                 |
| 2         | Stock Option  | -                              | -                      | -                 |
| 3         | Sweat Equity  | -                              | -                      | -                 |
| 4         | Commission  | -                              | -                      | -                 |
|           | - as % of profit  | -                              | -                      | -                 |
|           | - others, specify   | -                              | -                      | -                 |
| 5         | Others, please specify  | -                              | -                      | -                 |
|           | <b>Total (A)</b>  | <b>24,981,996</b>              | <b>10,299,996</b>      | <b>35,281,992</b> |
|           | Ceiling as per the Act  | -                              |                        |                   |

# Annexure 'B' to Board's Report (contd.)

## Extract of Annual Return

### B. Remuneration to other Directors

| S. No. | Particulars of Remuneration                | Name of Directors  |                  |                     |                           |                         |                      | Total Amount |
|--------|--|--------------------|------------------|---------------------|---------------------------|-------------------------|----------------------|--------------|
| 1      | Independent Directors                      | Mr. Debashis Gupta | Mr. Sharad Behal | Mr. Sanjiv Chhikara | Mr. Narayanasany Jeevagan | Mr. Tarun Kumar Prasad* | Mr. Yashish Dahiya** | (₹)          |
|        | Fee for attending board committee meetings | Nil                | Nil              | Nil                 | Nil                       | Nil                     | Nil                  | Nil          |
|        | Commission                                 | Nil                | Nil              | Nil                 | Nil                       | Nil                     | Nil                  | Nil          |
|        | Others, please specify                     | Nil                | Nil              | Nil                 | Nil                       | Nil                     | Nil                  | Nil          |
|        | Total (1)                                  | Nil                | Nil              | Nil                 | Nil                       | Nil                     | Nil                  | Nil          |
| 2      | Other Non-Executive Directors              | Mrs. Namita***     | Mr. Rajiv Rattan | Mr. P.K Sinha       |                           | Mrs. Anjali Nashier**** |                      |              |
|        | Fee for attending board committee meetings | Nil                | Nil              | Nil                 |                           | Nil                     |                      |              |
|        | Commission                                 | Nil                | Nil              | Nil                 |                           | Nil                     |                      |              |
|        | Others, please specify                     | Nil                | Nil              | Nil                 |                           | Nil                     |                      |              |
|        | Total (2)                                  | Nil                | Nil              | Nil                 |                           | Nil                     |                      |              |
|        | Total (B)=(1+2)                            | Nil                | Nil              | Nil                 |                           | Nil                     |                      |              |
|        | Total Managerial Remuneration              | -                  |                  |                     |                           |                         |                      |              |
|        | Overall Ceiling as per the Act             |                    |                  |                     |                           |                         |                      |              |

\*Mr. Tarun Kumar Prasad, appointed as a director w.e.f. January 11, 2018 and ceased to be as such w.e.f. July 19, 2018.

\*\* Mr. Yashish Dahiya, ceased to be director w.e.f. October 12, 2017.

\*\*\* Mrs. Namita, appointed as a director w.e.f. March 30, 2018.

\*\*\*\* Mrs. Anjali Nashier, ceased to be director w.e.f. March 30, 2018.

### C. Remuneration to Key Managerial Personnel other than MD/Manager/WTd

| S. No. | Particulars of Remuneration   | Name of Key Managerial Personnel |                      | Total Amount |
|--------|---|----------------------------------|----------------------|--------------|
|        | Name  | Mr. Samir Taneja                 | Mr. Gaurav Toshkhani | (₹)          |
|        | Designation   | Chief Financial Officer          | Company Secretary    |              |
| 1      | Gross salary  |                                  |                      |              |
|        | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 8,030,433                        | 3,738,468            | 11,768,901   |
|        | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | -                                | -                    | -            |
|        | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961             | -                                | -                    | -            |
|        |   | -                                | -                    | -            |
| 2      | Stock Option  | -                                | -                    | -            |
| 3      | Sweat Equity  | -                                | -                    | -            |

# Annexure 'B' to Board's Report (contd.)

## Extract of Annual Return

| S. No. | Particulars of Remuneration | Name of Key Managerial Personnel |                      | Total Amount      |
|--------|-----------------------------|----------------------------------|----------------------|-------------------|
|        | Name                        | Mr. Samir Taneja                 | Mr. Gaurav Toshkhani | (₹)               |
|        | Designation                 | Chief Financial Officer          | Company Secretary    |                   |
| 4      | Commission                  | -                                | -                    | -                 |
|        | - as % of profit            | -                                | -                    | -                 |
|        | - others, specify           | -                                | -                    | -                 |
| 5      | Others, please specify      |                                  |                      | 0                 |
|        | <b>Total</b>                | 8,030,433                        | 3,738,468            | <b>11,768,901</b> |

### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| Type                         | Section of the Companies Act | Brief Description |   |   | Details of Penalty / Punishment/ Compounding fees imposed |   | Authority [RD / NCLT/ COURT] |   | Appeal made, if any (give Details) |  |
|------------------------------|------------------------------|-------------------|---|---|---|---|------------------------------|---|------------------------------------|--|
| A. COMPANY                   |                              |                   |   |   |   |   |                              |   |                                    |  |
| Penalty                      | -                            | -                 | - | - | -   | - | -                            | - | -                                  |  |
| Punishment                   | -                            | -                 | - | - | -   | - | -                            | - | -                                  |  |
| Compounding                  | -                            | -                 | - | - | -   | - | -                            | - | -                                  |  |
| B. DIRECTORS                 |                              |                   |   |   |   |   |                              |   |                                    |  |
| Penalty                      | -                            | -                 | - | - | -   | - | -                            | - | -                                  |  |
| Punishment                   | -                            | -                 | - | - | -   | - | -                            | - | -                                  |  |
| Compounding                  | -                            | -                 | - | - | -   | - | -                            | - | -                                  |  |
| C. OTHER OFFICERS IN DEFAULT |                              |                   |   |   |   |   |                              |   |                                    |  |
| Penalty                      | -                            | -                 | - | - | -   | - | -                            | - | -                                  |  |
| Punishment                   | -                            | -                 | - | - | -   | - | -                            | - | -                                  |  |
| Compounding                  | -                            | -                 | - | - | -   | - | -                            | - | -                                  |  |

## DISCLOSURES ON MANAGERIAL REMUNERATION

Details of remuneration as required under Rule 5(1) of the Companies (Appointment and Remuneration) Rules, 2014.

- (i) the ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2017 – 18.

| S. No | Designation        | Ratio      |
|-------|--------------------|------------|
| 1     | Managing Director  | 105.44 : 1 |
| 2     | Executive Director | 43.47 : 1  |

- (ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2017 - 18;

| S. No | Designation                   | % increase in remuneration |
|-------|-------------------------------|----------------------------|
| 1     | Executive Director            | 6                          |
| 2     | Chief Financial Officer (CFO) | 11.94                      |

- (iii) the percentage increase in the median remuneration of employees in the financial year 2017-18;

| Particulars     | Amounts | % age of increments |
|-----------------|---------|---------------------|
| April 17 Median | 30,338  |                     |
| March 18 Median | 29,197  | -4%                 |

- (iv) the number of permanent employees on the rolls of Company;

- 567 permanent employees as on March 31, 2018.

- (v) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

| Percentile Increments<br>(other than Managerial Remuneration) | Percentile increments<br>(Managerial Remuneration) |
|---|--|
| 6.73%   | 4.49%  |

- (vi) affirmation that the remuneration is as per the remuneration policy;

The remuneration to Directors, KMP's and other employees of the Company is as per the Remuneration policy of the Company.

# Annexure 'D' to Board's Report

## ANNEXURE TO THE BOARD'S REPORT IN RESPECT OF THE EMPLOYEE STOCK OPTIONS ISSUED UNDER RATTANINDIA POWER LIMITED EMPLOYEE STOCK OPTION PLAN-2008 (FORMERLY SPCL-IPSL EMPLOYEE STOCK OPTION PLAN – 2008) – AS ON MARCH 31, 2018

| Particulars |   |  |
|-------------|---|--|
| a.          | Options Granted   | 2,00,00,000  |
| b.          | Exercise price  | ₹ 10 per share   |
| c.          | Options vested  | 71,69,100  |
| d.          | Options exercised   | 48,92,200  |
| e.          | The total number of Shares arising as a result of exercise of option  | 48,92,200  |
| f.          | Options lapsed/option not yet granted   | 1,42,12,000  |
| g.          | Variation in terms of options   | None   |
| h.          | Money realized by exercise of options   | ₹ 4,89,22,000/-  |
| i.          | Total number of options in force  | 8,95,800   |
| j.          | Employee wise details of options granted to;  |  |
| i.          | Key Management personnel  |  |
| ii.         | any other employee who received a grant in any one year of option amounting to 5% or more of option granted during that year  | None   |
| iii.        | identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital of the company.   | None   |
| k.          | Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with [Accounting Standard (AS) 20 'Earnings Per Share']   | ₹ 0.395  |
| l.          | Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed | Refer No 36 Notes to Accounts forming part of the Standalone financial Statements  |
| m.          | Weighted – average exercise prices and weighted – average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.   | Average Exercise Price is ₹ 10 per share<br>Average Fair Value is ₹ 1.58 per share |
| n.          | A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted – average information:  |  |
| i.          | risk free interest rate   | Refer No 36 Notes to Accounts forming part of the Standalone financial Statements  |
| ii.         | expected life   |  |
| iii.        | expected volatility   |  |
| iv.         | expected dividends, and   |  |
| v.          | the price of the underlying share in market at the time of option grant   |  |



**ANNEXURE TO THE BOARD'S REPORT REGARDING THE EMPLOYEE STOCK OPTIONS ISSUED UNDER RATTANINDIA POWER LIMITED EMPLOYEE STOCK OPTION SCHEME- 2009) (INDIABULLS POWER LIMITED 'EMPLOYEES STOCK OPTION SCHEME 2009)- AS ON MARCH 31, 2018**

| Particulars |   |   |
|-------------|---|---|
| a.          | Options Granted   | 2,00,00,000   |
| b.          | Exercise price  | ₹ 14/- per share  |
| c.          | Options vested  | 31,36,100   |
| d.          | Options exercised   | 2,81,800  |
| e.          | The total number of Shares arising as a result of exercise of option  | 2,81,800  |
| f.          | Options lapsed/options not yet granted  | 1,93,26,600   |
| g.          | Variation in terms of options   | None  |
| h.          | Money realized by exercise of options   | ₹39,45,200/-  |
| i.          | Total number of options in force  | 3,91,600  |
| j.          | Employee wise details of options granted to;  |   |
|             | i. Key Management personnel   | Mr. Himanshu Mathur – 1,00,000 Stock Option were granted.                         |
|             | ii. any other employee who received a grant in any one year of option amounting to 5% or more of option granted during that year  | None  |
|             | iii. identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital of the company.  | None  |
| k.          | Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with [Accounting Standard (AS) 20 'Earnings Per Share']   | ₹ 0.395   |
| l.          | Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed | Refer No 36 Notes to Accounts forming part of the Standalone financial Statements |
| m.          | Weighted – average exercise prices and weighted – average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.   | Average Exercise Price is ₹ 14 per share  |
| n.          | A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted – average information:  |   |
|             | i. risk free interest rate  | Refer No 36 Notes to Accounts forming part of the Standalone financial Statements |
|             | ii. expected life   |   |
|             | iii. expected volatility  |   |
|             | iv. expected dividends, and   |   |
|             | v. the price of the underlying share in market at the time of option grant  |   |

## Annexure 'D' to Board's Report (contd.)

### ANNEXURE TO THE BOARD'S REPORT REGARDING THE EMPLOYEE STOCK OPTIONS ISSUED UNDER RATTANINDIA POWER LIMITED EMPLOYEES STOCK OPTION SCHEME 2011 (FORMERLY INDIABULLS POWER LIMITED EMPLOYEES STOCK OPTION SCHEME 2011) - AS ON MARCH 31, 2018

| Particulars |   |   |
|-------------|---|---|
| a.          | Options Granted   | 18,95,000*  |
| b.          | Exercise price  | ₹ 12/- per share  |
| c.          | Options vested  | 5,43,000  |
| d.          | Options exercised   | Nil   |
| e.          | The total number of Shares arising as a result of exercise of option  | Nil   |
| f.          | Options lapsed/options not yet granted  | 4,96,31,000   |
| g.          | Variation in terms of options   | None  |
| h.          | Money realized by exercise of options   | Nil   |
| i.          | Total number of options in force  | 3,69,000  |
| j.          | Employee wise details of options granted to;  |   |
|             | i.  | Key Management personnel  |
|             | ii.   | any other employee who received a grant in any one year of option amounting to 5% or more of option granted during that year      |
|             | iii.  | identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital of the company. |
| k.          | Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with [Accounting Standard (AS) 20 'Earnings Per Share']   |   |
|             | ₹ 0.395   |   |
| l.          | Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed |   |
|             | Refer No 36 Notes to Accounts forming part of the Standalone financial Statements   |   |
| m.          | Weighted – average exercise prices and weighted – average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.   |   |
|             | Average Exercise Price is ₹ 12 per share  |   |
|             | Average Fair Value is ₹ 1.78 per share  |   |
| n.          | A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted – average information:  |   |
|             | i.  | risk free interest rate   |
|             | ii.   | expected life   |
|             | iii.  | expected volatility   |
|             | iv.   | expected dividends, and   |
|             | v.  | the price of the underlying share in market at the time of option grant   |
|             | Refer No 36 Notes to Accounts forming part of the Standalone financial Statements   |   |

\*The Scheme covers an aggregate of 5,00,00,000 stock options out of which 18,95,000 stock options had been granted.

FORM NO – MR -3

## SECRETARIAL AUDIT REPORT

For The Financial Year Ended on 31st March, 2018

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
RattanIndia Power Limited,  
5th Floor, Tower-B, Worldmark 1 Aerocity, New Delhi -110037

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by RattanIndia Power Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by RattanIndia Power Limited for the financial year ended on 31st March, 2018 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings(in so far as these are applicable)
- v. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.: -
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable as the Company has not issued and listed any debt securities during the financial year under review);
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (Not applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review);
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable as the Company has not delisted/proposed to delist equity shares from the stock exchanges during the financial year under review); and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable as the Company has not bought back/propose to buy back it's security during the financial year under review); and
  - i) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

# Annexure 'E' to Board's Report (contd.)

vi. and other applicable laws like:

- The Electricity Act, 2003
- National Tariff Policy

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India w.r.t meetings of the Board of directors (SS - 1) and General Meeting (SS – 2).
- ii. The Listing Agreements entered into by the Company;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

## **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through unanimously and therefore dissenting members' views are not required to be captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. Company has introduced compliance alert system for applicability of all applicable laws, rules, regulations and guidelines.

I further report that during the audit period there were no specific events/action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

For S. Khandelwal & Co.  
(Company Secretaries)

Sd/-  
(Sanjay Khandelwal)  
FCS No.: 5945  
C P No.: 6128

Place: New Delhi

Date: August 10, 2018

This report is to be read with our letter of even date which is annexed as **Annexure 1** and forms an integral part of this report.

## 'Annexure 1'

To,  
The Members,  
RattanIndia Power Limited  
5th Floor, Tower-B, Worldmark 1  
Aerocity New Delhi -110037

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
7. The maximum liability of our firm under the secretarial audit in respect of the aggregate of all claims shall not exceed the fee charged by us.

For S. Khandelwal & Co.  
(Company Secretaries)

(Sanjay Khandelwal)  
FCS No. 5945  
C P No.: 6128

Place: New Delhi  
Date: August 10, 2018

# Annexure 'F' to Board's Report

## DIVIDEND DISTRIBUTION POLICY

### 1. Background :

This Policy is formulated in accordance with Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015. This policy has become effective consequent to its approval by the Board of Directors of the Company.

### 2. Objective :

The objective of this Policy is to lay down the criteria and parameters that are to be considered by the Board of Directors of the Company while deciding on the declaration of Dividend from time to time. This Policy is applicable to dividend declared/ recommended on the equity shares of the Company and does not cover dividend on preference shares, if any, where the rate of dividend is governed by the terms of the issue of preference shares or any other form of dividend.

### 3. Parameters to be considered for declaration of Dividend :

The Board of Directors may declare interim dividend / recommend final dividend for consideration of shareholders of the Company.

Subject to the provisions of applicable laws, the Company's dividend pay-out will be determined by the Board of Directors from time to time based on the available financial resources, investment requirements and other factors more fully described hereunder.

The Board of Directors of the Company will consider the following parameters while recommending / declaring Dividend:

#### 3.1 Financial Parameters / Internal Factors :

1. Standalone / net operating profit after tax;
2. Operating cash flow of the Company for the year;
3. Liquidity position, aggregate Debt of the Company (both standalone and consolidated), debt service coverage position etc.;
4. Loan repayment and Working capital requirements;
5. Capital expenditure requirements;
6. Resources required for funding acquisitions, mergers and / or new businesses, if any;
7. Cash flow required for meeting tax demands and other contingencies;
8. Trend of dividends paid in the past years, if any;
9. Dividend receipt from subsidiaries, if any;
10. Any windfall, extra-ordinary or abnormal gains made by the Company; &
11. Any other factor not explicitly covered above but which is likely to have a significant impact on the Company.
12. The requirements stipulated in various agreements to which the Company is a party at the relevant point of time, including the agreements with various lenders subsisting at such point.

#### 3.2 External Factors:

1. Prevailing legal requirements, regulatory restrictions laid down under the applicable laws including tax laws and changes made in accounting laws;
2. Dividend pay-out ratios of companies in the same industry; &
3. Any other factor that has a significant influence / impact on the Company's working / financial position of the Company.

The Board of Directors may additionally recommend special dividend in special circumstances.

### 4. Circumstances under which the shareholders may not expect Dividend:

The shareholders of the Company may not expect Dividend under the following circumstances:



- 4.1 In the event of inadequacy of profits or whenever the Company has incurred losses;
- 4.2 Significant cash flow requirements towards higher working capital requirements / tax demands / or others , adversely impacting free cash flows;
- 4.3 An impending / ongoing capital expenditure program or any acquisitions or investment in joint ventures requiring significant allocation of capital;
- 4.4 Allocation of cash required for buy-back of securities;
- 4.5 Where dividend declaration is not possible consequent to the impact of any stipulations set out in the various agreements, including those with lenders, if any, subsisting at relevant point of time;
- 4.6 Any of the above referred internal or external factors restraining the Company from considering dividend;

## **5. Utilization of retained earnings :**

The Company may declare dividend out of the profits of the Company for the year or out of the profits of any previous year or years or out of the free reserves available for distribution of Dividend, after having due regard to the parameters laid down in this Policy. Profits retained in the business will be invested in the business / operations of the Company and may be used for augmenting working capital, repayment of borrowings, funding capital expenditure / acquisition(s) and for all other corporate purposes

## **6. Parameters to be adopted with regard to various classes of shares:**

Presently, the Authorised Share Capital of the Company is divided into equity shares of ₹ 10/- each. At present, the issued and paid-up share capital of the Company comprises only equity shares.

However, were any preference share to be issued in future, the Company shall first declare dividend on outstanding preference shares, if any, at the rate of dividend fixed at the time of issue of preference shares and thereafter, the dividend would be declared on equity shares, if financially permissible post preference dividend distribution.

Currently, the Company has issued one class of equity shares with equal voting rights. As and when the Company issues different class of shares, the Board of Directors may suitably amend this Policy.

## **7. Procedure :**

- 7.1 The dividend proposal placed before the Board for consideration shall be in terms of this Policy.
- 7.2 The Company shall ensure compliance of provisions of applicable laws and this Policy in relation to Dividend declared by the Company.

## **8. Disclosure :**

The Company shall make appropriate disclosures as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

## **9. General :**

- 9.1 This Policy would be subject to revision/amendment in accordance with the guidelines as may be issued by Ministry of Corporate Affairs, Securities Exchange Board of India or such other regulatory authority as may be authorized, from time to time, on the subject matter
- 9.2 The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy.
- 9.3 In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

# Business Responsibility Report

## ANNEXURE TO THE BOARD'S REPORT : BUSINESS RESPONSIBILITY REPORT

### Introduction:

The Business Responsibility disclosures in this Report illustrate our efforts towards creating enduring value for all stakeholders in a responsible manner. This Report is aligned with National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (hereinafter "NVG-SEE") released by Ministry of Corporate Affairs, and is in accordance with Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter "SEBI Listing Regulations"). This report provides an overview of the activities carried out by RattanIndia Power Limited under each of the nine principles as outlined in NVG.

### Section A - General Information about the Company

1. Corporate Identity Number (CIN) of the Company : L40102DL2007PLC169082
2. Name of the Company : RattanIndia Power Limited
3. Registered Office address : 5th Floor, Tower B  
Worldmark 1, Aerocity, New Delhi – 110 037
4. Website : www.rattanindia.com
5. Email ID : ir@rattanindia.com
6. Financial Year Reported : 2017-18
7. Sector(s) that the Company is engaged in (Industrial activity code-wise)  
NIC Code Description  
35102 Power Generation & Supply
8. List three products/services that the Company manufactures/provides (as in balance sheet) : Power (Generation and Transmission).
9. Total number of locations where business activity is undertaken by the Company  
(a) Number of International : None  
(b) Number of National locations : Two
10. Markets served by the Company : In the state of Maharashtra

### Section B – Financial Details of the Company

1. Paid up Capital : ₹ 29,52,93,33,530/-
2. Total Turnover  
Revenue from operations ₹ 201,538.21 Lacs  
Other income ₹ 22,411.10 Lacs  
Total ₹ 223,949.31 Lacs
3. Total profit after taxes (INR) : ₹ (41,814.00) Lacs
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax Nil
5. List of activities in which expenditure in 4 above has been incurred : N.A.

### Section C: Other Details

1. Does the Company have any Subsidiary Company/Companies? : Yes, the Company had 64 Subsidiaries as on March 31, 2018.
2. Do the Subsidiary Company/Companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s) : No
3. Do any other entity/entities (e.g., Suppliers, distributors, etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [less than 30%, 30%-60%, more than 60%] : No

## Section D: BR Information

### 1. Details of Director/Directors responsible for BR

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies:

| S. No.          | DIN Number | Name | Designation |
|-----------------|------------|------|-------------|
| Not applicable* |            |      |             |

\* The various aspects of business responsibility and sustainability, do not manifest themselves in a single policy but a host of policies covering such aspects and already in force in the Company in terms of the requirements of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 (and earlier the Listing Agreements with the stock exchanges) and the Companies Act, 2013, which are looked after, by the various committees constituted by the Board of Directors of the Company in compliance with requirements laid down in the aforementioned statutes. Thus identifying a single director or key person in this regard, whose particulars could be furnished in the above table, would not be possible. The details of such committees including their constitution, their scope of their power and responsibility, are contained in the Corporate Governance Report.

(b) Details of the BR head :

| S. No. | Particulars                | Details                     |
|--------|----------------------------|-----------------------------|
| 1      | DIN Number (if Applicable) | Not applicable* (See above) |
| 2      | Name                       |                             |
| 3      | Designation                |                             |
| 4      | Telephone number           |                             |
| 5      | e-mail id                  |                             |

### 2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

- Principle 1 : Businesses should conduct and govern themselves with Ethics, Transparency and Accountability (Ethics, transparency, accountability).
- Principle 2 : Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle (Safe and sustainable goods and services).
- Principle 3 : Businesses should promote the wellbeing of all employees (Wellbeing of employees).
- Principle 4 : Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized (Responsiveness to all Stakeholders).
- Principle 5 : Businesses should respect and promote human rights (Promoting Human Rights).
- Principle 6 : Business should respect, protect, and make efforts to restore the environment (Protecting the Environment).
- Principle 7 : Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner (Responsible Policy Advocacy).
- Principle 8 : Businesses should support inclusive growth and equitable development (Supportive Inclusive development).
- Principle 9 : Businesses should engage with and provide value to their customers and consumers in a responsible manner (Providing Value to customers).

(a) Details of compliance (Reply in Y/N) :

| S. No. | Questions  | P1   | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|--------|--|--|----|----|----|----|----|----|----|----|
| 1      | Do you have a policy/policies for?   | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 2      | Has the policy being formulated in consultation with the relevant stakeholders?                                    | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 3      | Does the policy conform to any national/international standards? If yes, specify?                                  | All the policies in conform to the principles as set out in the NVG Guidelines |    |    |    |    |    |    |    |    |
| 4      | Has the policy being approved by the Board? If Yes, has it been signed by MD/owner/CEO/appropriate Board Director? | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |

# Business Responsibility Report (contd.)

| S. No. | Questions  | P1   | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|--------|--|--|----|----|----|----|----|----|----|----|
| 5      | Does the company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?                                  | The various policies with regard to the NVG principles do not manifest themselves in a single or a separate policy. Instead the various policies drawn up and implemented in the Company in compliance with the requirements as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013 and other applicable statutes and those mandated in terms of any contractual requirements with various stakeholders or those mandated specifically or in general terms by any other regulatory requirements, are looked after by the Board constituted committees and the functional heads for various operations. Thus it would not be possible to name or pinpoint a single director/official/committee in this regard, in this report. |    |    |    |    |    |    |    |    |
| 6      | Indicate the link for the policy to be viewed online?  | As already explained above, the various principles as enshrined in the NVG Guidelines, do not manifest themselves in a single or separate policy, but through the policies in drawn up and in force in the Company, in terms of the various statutory/regulatory or contractual requirements. Such policies are displayed on the website of the Company at the weblink: <a href="http://www.rattanindia.com">www.rattanindia.com</a> in the relevant sections.   |    |    |    |    |    |    |    |    |
| 7      | Has the policy been formally communicated to all relevant internal and external stakeholders?  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 8      | Does the Company have in-house structure to implement the policy/policies?   | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 9      | Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies? | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 10     | Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?                                | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |

(b) If answer to the question at serial No: 1 against any principle, is "No", please explain why: **Not Applicable**

| S. No. | Questions   | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|--------|---|----|----|----|----|----|----|----|----|----|
| 1      | The Company has not understood the principles   |    |    |    |    |    |    |    |    |    |
| 2      | The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles |    |    |    |    |    |    |    |    |    |
| 3      | The Company does not have financial or manpower resources available for the task  |    |    |    |    |    |    |    |    |    |
| 4      | It is planned to be done within next 6 months   |    |    |    |    |    |    |    |    |    |
| 5      | It is planned to be done within next 1 year   |    |    |    |    |    |    |    |    |    |
| 6      | Any other reason (please specify)   |    |    |    |    |    |    |    |    |    |

## 3. Governance related to BR

- a. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 Months, 3-6 Months, Annually, More than 1 year : Annually
- b. Does the Company publish a BR or a sustainability Report? What is the hyperlink for viewing this report? How frequently it is published? : While the areas of responsibility as set out in the statutorily prescribed format of the Business Responsibility Report, have always been of paramount importance to the Company and while such responsibilities have been effectively discharged by the Company, since the publication of the BR or Sustainability Report was not mandatory for the Company for the financial years prior to the financial year 2016-2017, in terms of the the SEBI circular no. CIR/CFD/CMD/10/2015 dated November 4, 2015, the same was not being published or displayed on the website of the Company in the earlier financial years. From the financial year 2016-2017 onwards the Report, besides being published and sent to the shareholders of the Company and other stakeholders (wherever required), as a part of the Annual Report is also displayed on the website of the Company as a part of the relevant Annual report.

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### Principle 1:

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No. Does it extend to the Group/ Joint Ventures/Suppliers/Contractors/NGOs/Others?**

The Company has adopted a Code of Conduct for its Directors and Senior Management. Additionally the Policy on Code of Conduct for employees is applicable to all the employees of the Company as also the RattanIndia Group. The said policies seek to ensure that highest standards of work ethics including total honesty in the conduct of operations of the Company and the discharge of functional responsibilities towards this end, is observed. This is ensured in all facets of operations of the Company and the various external parties dealing with the Company are made to observe these norms, vis-a-viz their dealings with the Company.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

|  |       |
|--|-------|
| Stakeholder complaints received                | 11    |
| Stakeholders complaints resolved               | 11    |
| Percentage of Stakeholders complaints resolved | 100 % |

The word stakeholder here refers to the shareholders of the Company. The complaints received from the shareholders were of a very ordinary nature such as those relating to non-receipt of the annual reports for a particular financial year or years as mailed to them or those related to a delay in the receipt of their rematerialization requests, etc.

The Company has in place a Stakeholder Cum Investor Grievance Redressal Committee, constituted by the Board of Directors, which in collaboration with the Registrar and Transfer Agent of the Company, attends to the complaints from the shareholders and redresses the same well within a period of a week to ten days depending upon the nature of the complaint, with detailed explanations being provided to the complaining shareholders.

As regards the other stakeholders including in particular, the lending banks and financial institutions, the Project Management Committees constituted by the Company for its projects, in collaboration with the Finance team of the Company and the top management, is in regular interaction with them on an ongoing basis to address the various issues raised from time to time, to the mutual satisfaction of both the Company as well as such entities. Such issues are of day to day or periodic nature and cannot be termed as complaints so as to require or find any specific mention or description in this report.

As regards the employees of the Company there is in force in the Company, a Whistle Blower Policy, whereby each and every employee irrespective of hierarchical level is free to report to the top management, any instances of fraudulent or unfair conduct or any discriminatory practices, with full confidentiality being maintained as to the name of the complainant.

# Business Responsibility Report (contd.)

Further, the Chairperson of the Audit Committee constituted by the Board is fully approachable to every employee for reporting any instances of fraud or financial wrong doing.

As regards the Banks & Financial Institutions having dealings with the Company, the project finance team of the Company is in regular touch with them so as to consider, evaluate and redress their grievances or issues if any, under the control and supervision of the Management .

## Principle 2:

### 1. List upto 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

RattanIndia Power Ltd. has set up two (2) Power Plants of 5 x 270 MW rating (1350 MW) each in Amravati and Sinnar, Nashik. The Amravati Plant was commissioned in March, 2015 and has been supplying power to MSEDCL in Maharashtra State under 1200 MW Power Purchase Agreement (PPA). The Nashik Plant has also been commissioned in May, 2017 and is awaiting finalization of PPA to commence power supply. The Nashik Plant is currently being properly preserved as per Industry practice / OEM recommendations & kept ready to generate power as soon as opportunity is available.

The Main Plant equipment (Boiler & Turbine-Generator) for both these Plants has been sourced from the indigenous manufacturer M/s BHEL. The Balance of Plant (BoP) equipment is also procured from other reputed vendors. Both these Plants have been optimally designed for indigenous coal and are energy efficient.

### 2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

(a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

- (i) RPL has been continuously engaged in evolving radical solution for resource conservation and efficient power generation. It has opted for indigenous BTG and BoP equipment with 5 units configuration at both locations (Amravati and Nashik) which is ideally suited for the Indian power scenario with frequent load variations / power back downs.

RPL entered into coal washing arrangements with washeries for Amravati plant immediately after its commissioning in 2015 much ahead of its being made mandatory w.e.f. 05.06.2016. The washing process not only improves gross calorific value of coal but also reduces ash contents in the range 10-12% by weight besides reduction in wear and tear of coal mills, boiler tubes etc. This also results in reduction of fly ash and auxiliary power consumption.

- (ii) Optimization of water consumption is derived by adopting Zero Water Discharge system, Higher Cycle of Concentration in IDCT operations through Chemical additives ( CoC: 5 – 7 cycles has been adopted instead of conventional 3 – 5 cycles) and utilization of effluent water in green belt and wet ash disposal system.

- (iii) Through prudent operating practices, RNPL has been able to raise the output of Amravati BTG Units from its Name - plate rating of 270 MW to ~ 285 – 286 MW per Unit i.e. ~ 6% increase in Generation over the contractual Max Continuous Rating (MCR) of 270 MW Unit. This has been validated by CPRI, Bangalore vide its report dtd. 28.08.2017.

Similar output increase is expected from Nashik BTG Units which are identical to Amravati Units.

- (iv) In addition, Nashik plant has been designed for recycled STP water allocation, which is made usable for the plant through tertiary treatment system based on Nordic technology. This saves precious fresh water for drinking and other critical applications.

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Not Applicable

### 3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?

- All major inputs such as coal, fuel oil and spares for Amravati have been sourced indigenously. The fuel transportation arrangement is through Indian railways. Similar arrangements have been envisaged for Nashik plant after PPA and FSA are operational.



- Similarly, BTG and BoP spare part are also available indigenously from OEM; inventory of critical long delivery items are generally maintained at the plant site for avoiding down time.

RPL has also developed local vendors for regular consumables on sustainable basis

**4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

- The daily need requirements are sourced through local / small producers in the area.
- Initiatives are being taken to improve socio-economic status of local populace through education and technical training etc.

**5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so. :**

- The major waste product generated in thermal Power Plant is Ash in form of dry fly ash and wet bottom ash.
- The company has installed State-of-art Ash Handling System for disposal of dry fly Ash through Silos which can be directly dispatched through container trucks for utilization in Cement, Brick and Block manufacturing.
- The disposal of wet Bottom Ash is through High Concentration Slurry Disposal (HCSD) system through pipelines into LDPE lined Ash dyke. The Bottom Ash is mainly used for land filling and road construction etc.
- During the year FY 2017-18, 97% Ash (approx. 8,00,000 MT) from Amravati Plant has been utilized for Brick & Block manufacturing / road levelling / filling etc.
- Efforts are also being made to tie-up dry fly ash from Amravati with cement manufacturers on a long term basis but it has been held up due to uncertainties of plant operation on account of Merit Order Dispatch mechanism. In Nashik, M/s Eurotas, a subsidiary of RPL has set up a Cement manufacturing unit adjacent to Nashik power plant for utilizing entire fly ash.
- Apart from Ash, another hazardous waste is generated in power plant in the form of used lubricants & Transformer oil which is disposed off through Authorized re-cycling agents.

**Principle 3 :**

|  |   |      |
|--|---|------|
| 1. Please indicate the Total number of employees   | : | 567  |
| 2. Please indicate the Total number of employees hired on temporary/contractual/casual basis   | : | Nil  |
| 3. Please indicate the Number of permanent women employees   | : | 28   |
| 4. Please indicate the Number of permanent employees with disabilities   | : | Nil  |
| 5. Do you have an employee association that is recognized by management?   | : | No   |
| 6. What percentage of your permanent employees is members of this recognized employee association?   | : | N.A. |
| 7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year | : | NIL  |

**8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?:**

At RattanIndia, we believe our employees are a major asset for our Company. Safety and creating a safe operating culture continues to be amongst our top priorities. We have a company-wide occupational health and safety policy to ensure awareness in safety and that best practices in terms of safety are being followed at all our sites. We are focused on improving behavioral safety, reducing hazards through periodical walk-through Audits and safety Improvement projects. In doing so, we have been providing continuous training and skill development workshops before commencement of work and during the term of employment. Safety awareness programmes and campaigns are conducted regularly to help the employees understand their role in making the workplace safe. Each person is encouraged to report any unsafe conditions at the workplace to the safety committee and follow the safety measures at workplace with utmost priority.

**Principle 4 :**

**1. Has the company mapped its internal and external stakeholders?**

Yes, the stakeholders of the Company have been mapped through an informal process of consultation for the entire operations of the Company. The Company's key stakeholders include its employees, its suppliers and vendors, its shareholders, various lenders in the shape of banks and financial institutions and local communities around the operational sites.

# Business Responsibility Report (contd.)

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?** Yes around the site of its operations.
3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so. :**

RattanIndia Power Ltd (RPL) is committed to conduct its business in a responsible manner that creates sustained and positive impact on the society. The Company has forged long term partnership with the communities around Power Plant at Amravati & Nashik with a view to improve conditions of disadvantaged and vulnerable groups among them. RPL has initiated various social development activities at Amravati and Nashik as a part of Corporate Social Responsibility (CSR) viz education, health, water supply, skill development, training, Green belt development and Infrastructure development etc.

The CSR initiatives have been planned primarily to cater the requirements of the villagers regarding infrastructure development, education & health- care etc. The activities have been taken up in about 50 villages of Amravati and 22 villages in Sinnar region. Focus has been on short-term need based initiatives revolving around skill development, livelihood, women empowerment etc.

RPL has contributed towards overall development of the area around Power Plant, its dedicated Railway line and cross country pipeline etc by improving quality of life of residents in the area.

The company also focused on improvements in health care for the marginalized segments of society. Various health camps are organized at regular intervals to meet the specific needs of local populace and medical services in the affected area. Gynecological care camps, Eye Check-up and Cataract Camps etc are organized from time to time.

RPL is also pursuing sanitation program to do away with open defecation and to control epidemics in association with Gram Panchayats.

As part of women empowerment & development program, tailoring classes are organized to provide training to women folk to make them self-reliant. Sewing Machines are also distributed to the needy women.

Tree plantation activities are regularly conducted especially during monsoons and tree guards are provided at vulnerable locations.

Education is another key development where RPL has been contributing by setting up schools, providing furniture, distributing books & stationery etc. A Computer mobile van has also been arranged for community benefit. Support through term fee for education is also provided to deserving students.

RPL has introduced skill development programs to motivate and reinforce the entrepreneurial skills among rural youth. The company has so far arranged ITI training for 510 nos. students at both locations in various technical courses viz. Electrician, Welders, Fitters, Wireman & Motor mechanics etc. Financial assistance was also provided to the needy trainees and so far 260 ITI trained personnel have been given employment in Amravati & Nashik Plants.

It would be worth while to mention here that above referred social welfare measures/ activities are in pursuance of the environmental clearance received for the Amravati and Nasik Power Plants, from the Ministry of Environmental & Forests.

## Principle 5 :

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?**

Maintaining the sanctity and dignity of human rights has always been extremely important for the Company be it from the perspective of the employees, the perspective of those having dealings with the Company or those impacted by its Projects. The policies in force in the Company seek to promote an atmosphere free of fear where people can work and live with freedom and dignity.

In its dealings with various persons, be they from within the Company or outside it, the Company has never lost sight of the fact that every such person is a human being and needs to be dealt with as one and therefore the attempt is always to ensure that no person is dealt with dishonestly, shortchanged or exploited.

Furthermore the Company has as a responsible corporate citizen always sought to ensure the welfare and well-being of people both at the physiological as well as the psychological level, without their being made to compromise on their rights as human beings.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management ?** : The only complaints received from the Company from its stakeholders were the ones received from its shareholders and the same were resolved to the satisfaction of the complainants.

## Principle 6 :

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/others. N
2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc. N
3. Does the company identify and assess potential environmental risks? Y
4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?  
Our Projects are Sub-critical and are not covered under CDM.
5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc. N
6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?  
Yes, the Emissions/waste generated are within the permissible limits of CPCB/SPCB.
7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year. None

## Principle 7 :

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:  
The Company is a member of Association of Power Producers (APP)
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)  
Yes, the Company has used its membership with above industrial body to advocate on key issues impacting Power sector, including but not limiting to coal supply, financial health of discoms, transmission evacuation, logistics and rail connectivity, environment, financing, taxation etc.

## Principle 8 :

1. Does the company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof. : N.A. Currently the only customer the Company has for the power generation is Maharashtra State Electricity Distribution Company Limited (MSEDCL) which is governed by the terms of the power purchase agreement which the Company has with it.
2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?: N.A.
3. Have you done any impact assessment of your initiative? : N.A.
4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken? : N.A.
5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so. : N.A.

## Principle 9 :

- |   |   |
|---|---|
| 1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.   | : There are no consumer complaints/consumer cases pending in the reporting period.  |
| 2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/N.A./Remarks (additional information).   | : Not applicable  |
| 3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so. | : No case has been filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last financial year. |
| 4. Did your company carry out any consumer survey/ consumer satisfaction trends?  | : Not applicable  |

# Report on Corporate Governance

## 1. The Company's philosophy on Corporate Governance

Corporate Governance is basically and essentially an ethos governing the working and operations of a company, emanating from a framework of rules and regulations stipulated under different statutes and the practices being followed in a company, with the basic objective of ensuring accountability at all levels and complete transparency in the Company's working and operations and its relationship with its stakeholders.

For the Company, sound corporate governance policies have been the edifice of its work culture and not merely a mandatory requirement to be complied with only in the name. That it is so, is more than adequately explained by the fact that in the conduct of its operations, the Company at all levels and across all functional areas mandates a complete adherence to the applicable statutory requirements while at the same time ensuring that business ethics, corporate values and equity, which have formed the backbone of its philosophy, are not overlooked. Towards this end, the corporate governance philosophy of the Company beautifully strikes a balance between the two so that they are in complete harmony with each other.

In order to bring this about, some of the major building blocks of the Company's corporate governance policy include:

- (a) A Board of directors so constituted as to be a rich amalgam of knowledge, experience and expertise of people of repute drawn from diverse fields, who contribute meaningfully to the growth and progress of the Company through a detailed, rational and dispassionate analysis of various matters presented to the Board for its decision, with the financial fundamentals of the Company, the prevailing economic and other circumstances, the objectives and philosophy of the Company and the provisions of the applicable statutes, forming the basic premise against which such decisions are taken. The basic idea is to ensure that each director individually and the Board collectively use their knowledge, wisdom and experience in the best interests of the Company and its stakeholders, without any compromises being made either on the compliances with the applicable statutory requirements or the work ethics and culture of the Company.
- (b) An impediment free system for flow of information between different hierarchical levels, with adequate checks and balances so as to ensure that the same does not run into any bottlenecks or blockages and happens within the available timelines, the information which so flows is factual and error free and not corrupted by falsities or inaccuracies and also that an information which is not relevant to a particular level or functional area, does not flow to it, nor is the information which flows in the system, misused in any manner whatsoever.
- (c) A complete transparency in the working and operations of the Company vis-à-vis the stakeholders brought about by complete, timely, factual and accurate disclosure of all information so that they stand adequately and properly informed about the Company and its affairs at all times.
- (d) A highly effective system of internal controls including most importantly, the financial controls, capable of preventing any wrong doings, timely identification of any deviations from the laid down standards and initiating effective remedial measures in the right earnest.
- (e) Ensuring that employees at every level of hierarchy, work in a manner which not only ensures complete compliance with the applicable legal/statutory framework, but also that the value systems, guiding principles and work ethics are never compromised with and that there is effective discharge of responsibility at every level coupled with proper accountability.

## 2. Board of Directors

The Board of Directors of the Company is the body which shapes and effectuates the corporate governance policy of the Company, in the process, fulfilling its commitment to serving and furthering the long term interests of the Company and its stakeholders. How it does so is through an objective and meaningful analysis of the business and operations of the Company against the backdrop of its financial fundamentals, the prevailing circumstances, the resource availability, the eco political environment and the applicable statutory requirements. The basic objective is to provide rational, dispassionate and prudent guidance to the Management so as to enable it to conduct the business and operations of the Company and the relationships with various stakeholders in the most effective, efficient and productive manner.

### (A) Composition and size of the Board

The Board of Directors of the Company currently comprises of 9 directors, four of such directors being Independent Directors and five being non-Independent, with two of the non-independent directors being executive directors, with defined functional responsibilities, besides their responsibilities as members of the Board. The Chairman of the Company and the Board of Directors (Board), is a non-independent promoter director. One of the five non-independent directors is a woman.

# Report on Corporate Governance (contd.)

It would be pertinent to mention here that for most part of the financial year 2017-2018 and the current financial year, the number of Independent Directors on the Board of the Company was equal to the number of non-independent directors i.e. five. However due to resignation of one of the Independent Directors in the month of July 2018, his office has fallen vacant.

The Company has already approached a highly reputed, knowledgeable and experienced person, who had served as an Independent Director of the Company in the past, for re-joining the Board of the Company and he has principally agreed to the same subject to the members consenting to his appointment as an Independent Director.

Accordingly, the Company would be proposing his appointment as an Independent Director, for approval by the members at the ensuing annual general meeting. Post such appointment the Board of Directors of the Company shall have independent and non-independent directors in equal number and proportion.

The Board of Directors of the Company as of now is and post the induction of the new Independent Director, would continue to be a governing body comprising of highly educated, knowledgeable and experienced individuals, from diverse fields encompassing finance, technology, architecture, insurance, business and risk management, etc. bringing to the Board the benefit of their knowledge skill sets and expertise.

The details of Directors, number of directorships held by them in other companies as also the number of their memberships and chairpersonships on board committees of various companies, as at 31.03.2018, are depicted in the table given below:

| S. No. | Name of the Director                        | Category of Directorship                        | Number of shares held in the Company | Directorships in other companies* | No. of Memberships/ Chairpersonship in Board Committees of various companies including the Company** |                  |
|--------|---|---|--------------------------------------|-----------------------------------|--|------------------|
|        |   |   |                                      |                                   | Memberships  | Chairpersonships |
| 1      | Mr. Rajiv Rattan (DIN: 00010849)            | Chairman & Non - Executive Promoter Director    | Nil                                  | 2                                 | 5  | Nil              |
| 2      | Mrs. Namita (DIN: 08058824)                 | Non - Executive Woman Director                  | Nil                                  | 1                                 | 1  | Nil              |
| 3      | Mr. Pranab Kumar Sinha (DIN: 05262027)      | Nominee Director (Institutional Representative) | Nil                                  | 2                                 | Nil  | Nil              |
| 4      | Mr. Jayant Shriniwas Kawale (DIN: 00076038) | Managing Director                               | Nil                                  | Nil                               | Nil  | Nil              |
| 5      | Mr. Tarun Kumar Prasad (DIN: 06687841)      | Independent Director                            | Nil                                  | 5                                 | 4  | 4                |
| 6      | Mr. Narayanasany Jeevagan (DIN: 02393291)   | Independent Director                            | Nil                                  | 8                                 | 10   | 5                |
| 7      | Mr. Debashis Gupta (DIN: 02774388)          | Independent Director                            | Nil                                  | 1                                 | 2  | Nil              |
| 8      | Mr. Sharad Behal (DIN: 02774398)            | Independent Director                            | Nil                                  | Nil                               | Nil  | Nil              |
| 9      | Mr. Sanjiv Chhikara (DIN: 06966429)         | Independent Director                            | Nil                                  | 7                                 | 10   | 4                |

# Report on Corporate Governance (contd.)

| S. No. | Name of the Director                | Category of Directorship | Number of shares held in the Company  | Directorships in other companies* | No. of Memberships/ Chairpersonship in Board Committees of various companies including the Company** |                  |
|--------|-------------------------------------|--------------------------|---|-----------------------------------|--|------------------|
|        |                                     |                          |   |                                   | Memberships  | Chairpersonships |
| 10     | Mr. Himanshu Mathur (DIN: 03077198) | Whole time Director      | 20,000 Equity shares & 70,000 vested stock option (out of a total of 1,00,000 Stock option granted) | 9                                 | Nil  | Nil              |

\* Does not include directorships held in private limited companies and the companies registered under Section 8 of the Companies Act, 2013.

\*\*In the above table, only the memberships/chairpersonships of the Audit Committees and Stakeholders' Relationship Committee in various Indian public limited companies including the Company, have been depicted.

None of the directors on the Board is a member of more than ten such committees or chairperson of more than five such committees across all the companies in which he/she is a director. Further none of the Independent Directors on the Board is serving as an Independent Director in more than seven listed companies or a whole-time director in any listed entity.

No Non-executive director holds shares or any instruments convertible into shares, in the Company.

None of the directors are related to each other.

## (B) Details of Board meetings and the last Annual General Meeting (AGM) and the attendance record of Directors thereat

Apart from at least one meeting of the Board being held in every quarter, the Board also meets at such times and such periodic intervals as the business necessities and exigencies may dictate.

In the conductance of the Board meetings the principles of corporate governance, the applicable statutory requirements and the requirements of the Secretarial Standards on Board meetings prescribed by the Institute of Company Secretaries of India, are duly followed.

During the financial year 2017-2018, the Board met 8 (Eight) times. The dates of the Board meetings were April 12, 2017, May 22, 2017, August 10, 2017, August 23, 2017, November 10, 2017, January 11, 2018, February 2, 2018, March 30, 2018.

The last Annual General Meeting of the Company was held on September 19, 2017.

A table depicting the attendance of Directors at various board meetings and annual general meeting held during the financial year 2017 - 2018 is given below:

| S. No. | Name of Director                          | No. of Board Meetings held during the tenure covered in the FY 2017-18 | No. of Board Meetings attended during the FY 2017-18 | Attendance at the last AGM |
|--------|---|--|--|----------------------------|
| 1      | Mr. Rajiv Rattan                          | 8  | 8  | Yes                        |
| 2      | Mrs. Anjali Nashier (upto March 30, 2018) | 7  | 6  | No                         |
| 3      | Mr. Pranab Kumar Sinha                    | 8  | 2  | No                         |
| 4      | Mr. Jayant Shriniwas Kawale               | 8  | 8  | Yes                        |
| 5      | Mr. Himanshu Mathur                       | 8  | 8  | No                         |

| S. No. | Name of Director                                | No. of Board Meetings held during the tenure covered in the FY 2017-18 | No. of Board Meetings attended during the FY 2017-18 | Attendance at the last AGM |
|--------|---|--|--|----------------------------|
| 6      | Mr. Yashish Dahiya (upto Oct 12, 2017)          | 4  | 2  | No                         |
| 7      | Mr. Narayanasany Jeevagan                       | 8  | 8  | Yes                        |
| 8      | Mr. Debashis Gupta                              | 8  | 1  | No                         |
| 9      | Mr. Sharad Behal                                | 8  | 1  | No                         |
| 10     | Mr. Sanjiv Chhikara                             | 8  | 8  | Yes                        |
| 11     | Mr. Tarun Kumar Prasad (w.e.f January 11, 2018) | 2  | 2  | N.A                        |
| 12     | Mrs. Namita (w.e.f March 30, 2018)              | Nil  | Nil  | N.A                        |

The Company periodically places report with respect to its compliance with, all applicable laws before the Board of Directors for its review.

The Company did not have any pecuniary relationship or transactions with its Non-Executive and/or Independent Directors during the year under review.

#### Separate meeting of Independent Directors

In compliance with the requirements set out in Schedule IV to the Companies Act, 2013 read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on Board Meetings prescribed by the Institute of Companies Secretaries of India, a separate meeting of Independent Directors of the Company was held on May 15, 2018 to

- (1) review the performance of Non – Independent Directors and the Board as a whole,
- (2) review the performance of the Chairman of the Company taking into account the views of executive directors and non-executive directors and
- (3) assess the quality, quantity and timeliness of flow of information between the management of the Company and its Board of Directors that is necessary for the Board to effectively and reasonably perform its duties.

It would be pertinent to mention here that besides a formal meeting of independent directors, interactions between the Chairman and the Independent Directors of the Company, takes place on a regular basis.

#### (C) Code of Conduct

The Company has laid down a Code of Conduct for all Board members and Senior Management Personnel of the Company. The Code of Conduct is available on the website of the Company <http://www.rattanindia.com/rpl/investorcontacts>.

All Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct, for the Financial Year 2017-18. A declaration signed by the Managing Director to this effect, appears at the end of this Report.

The code of conduct has very effectively served the purpose of ensuring that the Directors and the Senior Management Personnel give their focused and undivided time and attention to the affairs of the Company, with a complete adherence to the provisions of the applicable statutes in essence and intent, as also the organizational values and ethics, at the same time.

### 3. Familiarization Programmes for Independent Directors

The Company has always looked upon its Board of Directors as the primary or main body to shape its policies and affairs and to guide its operations towards success and progress through a realistic, analysis and evaluation of the prevailing state of affairs and the ongoing operations and devising and operationalizing means and procedure which ensure growth and progress of the Company and its business.

In order to enable the Board to play this role to perfection it is imperative that they be familiar with and deeply understand the Company, its business and operations and their intricacies, be aware of who the various stakeholders of the Company are and understand, their requirements, expectations and demands, be aware of the prevailing socio-economic and political environment especially in so far as the same is relevant to the business of the Company, as also the requirements set out in various statutes, as applicable to the business and operations of the Company.



# Report on Corporate Governance (contd.)

This is precisely why the Company had always laid emphasis on familiarizing its Directors with the above aspects, even before the same became a mandatory requirement under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Consequently in keeping with the policy of the Company as framed in this regard and in compliance with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a familiarization exercise for Independent Directors of the Company was carried out during the financial year 2017-2018, as it had been carried out in the previous financial year.

Towards this end:

- (a) every Independent Director was briefed on the provision of various applicable sections/regulations and regulatory requirements and the amendments which have occurred in the same since the end of the previous financial year, which the said Directors were required to be aware of.
- (b) Various functional heads of the Company briefed the Independent Directors on the different aspects of the business.
- (c) A Director's Kit containing various declarations and submissions required to be made to the Board and key information/policy documents such as Group Code of Business Conduct & Ethics, Code of Conduct for all Board members and Senior Management Personnel, Code of Conduct for Independent Directors, Memorandum and Articles of Association, Annual Report for previous 3 years, Whistle Blower Policy/Vigil Mechanism and Code of Conduct for Prohibition of Insider Trading and details about roles and responsibilities of Independent Directors, was provided to every Independent Director on the Board.
- (d) Their feedback was sought in the form of detailed questionnaires circulated among the directors.

Additionally presentations were made at Board and Board Committee Meetings which included updates on performance review, strategy and key regulatory developments.

Thus the policy of familiarization as briefly outlined above, was duly implemented during the financial year under review, like the previous financial years.

Details of the Familiarisation Programme for Independent Directors is posted on the website of the Company and can be viewed at the weblink: <http://www.rattanindia.com/rpl/general>.

## 4. Committees of the Board

The Board constituted committees namely, Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, Compensation Committee and Corporate Social Responsibility Committee (CSR), act in accordance with the terms of reference determined by the Board. Meetings of each of these Committees are convened by the respective Chairmen. Matters requiring Board's attention/approval are placed before the Board post consideration by the relevant committee. The role, the composition of these Committees including the number of meetings held during the financial year and the related attendance details are provided below:

### (A) Audit Committee

#### Composition

The Audit Committee of the Company as on 31st March, 2018, comprised of four members namely Mr. Narayanasany Jeevagan as the Chairman and member and Mr. Debashis Gupta, Mr. Rajiv Rattan and Mr. Sanjiv Chhikara as the other three members. While Mr. Narayanasany Jeevagan, Mr. Sanjiv Chhikara and Mr. Debashis Gupta are Independent Directors, Mr. Rajiv Rattan is the Promoter Director. Secretary of the Company also acts as Secretary to the Audit Committee.

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process. The role of Audit Committee, inter-alia includes the following:

- (1) to review (a) the management discussion and analysis of financial condition and results of operations (b) statement of significant related party transactions submitted by management (c) the management letters / letters of internal control weaknesses, if any issued by the statutory auditors (d) the internal audit reports relating to internal control weaknesses and (e) statement of deviations. (f) the appointment, removal and terms of remuneration of the Internal Auditor.
- (2) recommendation for appointment, remuneration and terms of appointment of statutory auditors.

- (3) approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- (4) reviewing, with the management, the financial statements and Auditor's report thereon before submission to the board for approval.
- (5) reviewing, with the management, the quarterly financial statements before submission to Board for approval.
- (6) Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of fund utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in the matter.
- (7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.
- (8) approval or any subsequent modification of transactions of the Company with related parties.
- (9) scrutiny of inter-corporate loans and investments.
- (10) valuation of undertakings or assets of the Company, wherever it is necessary.
- (11) evaluation of internal financial controls and risk management systems.
- (12) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- (13) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- (14) discussion with internal auditors of any significant findings and follow up there on.
- (15) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- (16) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- (17) to look into the reasons for substantial defaults in the payment to creditors, if any.
- (18) to review the functioning of the whistle blower mechanism.
- (19) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (20) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

## Meetings and Attendance during the year

During the financial year ended March 31, 2018 the Committee met four times. The dates of the meetings were May 22, 2017, August 10, 2017, November 10, 2017 and February 2, 2018.

The attendance of the members of the Committee at the meetings held during the FY 2017 - 18 is depicted in the table given below:

| SL No | Name of members           | No. of meetings held during their tenure | No. of meetings Attended |
|-------|---------------------------|--|--------------------------|
| 1     | Mr. Rajiv Rattan          | 4  | 4                        |
| 2     | Mr. Debashis Gupta        | 4  | 1                        |
| 3     | Mr. Narayanasany Jeevagan | 4  | 4                        |
| 4     | Mr. Sanjiv Chhikara       | 4  | 4                        |
| 5     | Mr. Yashish Dahiya*       | 2  | 2                        |

\* ceased to be the member on Oct 12, 2017.

# Report on Corporate Governance (contd.)

The Finance Head and the Statutory Auditors' attended the meeting by Invitation.

The Chairman of the Audit Committee was present at the Tenth Annual General Meeting held on 19 Sept, 2017.

## (B) Nomination & Remuneration Committee.

The Nomination & Remuneration Committee of the Board as on March 31, 2018 comprised of three Non-Executive Directors as its members, namely Mr. Narayanasany Jeevagan as the Chairman and member and Mr. Sanjiv Chhikara and Mrs. Namita as the other two members.

### Terms of reference

The terms of reference of the Nomination & Remuneration Committee, inter-alia, include:

- formation of criteria of evaluation of performance of Independent Directors & the Board of Directors.
- to recommend to the Board, compensation terms of the Executive Directors.
- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors and key managerial personnel and other senior management personnel.
- devising a policy on diversity of board of directors.
- identifying persons who are qualified to become directors and persons who may be appointed in Key/senior management positions, in accordance with the criteria laid down and to recommend to the board of directors their appointment and removal.
- deciding as whether to extend or continue the term of appointment of the independent directors, on the basis of their performance evaluation reports and other pertinent factors.

### Meetings and Attendance during the year

During the financial year 2017-2018, Committee met three times. The dates of the meetings were August 23, 2017, January 11, 2018 and March 30, 2018.

The attendance of the members of the Committee at the meetings held during the FY 2017 - 18 is depicted in the table given below:

| SL No | Name of members   | No. of meetings held during their tenure | No. of meetings Attended |
|-------|---|--|--------------------------|
| 1     | Mrs. Namita (w.e.f March 30, 2018)                        | Nil                                      | Nil                      |
| 2     | Mr. Yashish Dahiya (upto Oct 12, 2017)                    | 1  | Nil                      |
| 3     | Mr. Narayanasany Jeevagan                                 | 3  | 3                        |
| 4     | Mr. Sanjiv Chhikara                                       | 3  | 3                        |
| 5     | Mrs. Anjali Nashier (from Oct 12, 2017 to March 30, 2018) | 1  | Nil                      |

### Performance evaluation criteria for Independent Directors

The performance evaluation criteria for independent directors are determined by the Nomination and Remuneration committee. An indicative list of factors that may be evaluated include, participation and contribution by a director, level of his/her commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behaviour and judgment.

The details are disclosed in the Board's Report, which forms a part of the Annual Report.

### Remuneration Policy

The Company's Nomination, Appointment and Remuneration Policy for Directors, Managing Director, Executive Directors and Senior Management Personnel is accessible on the Company's website at the <http://www.rattanindia.com/rpl/investor-contacts>.

Company's remuneration policy is market-led and takes into account the competitive circumstances of the business so as to attract and retain quality talent and leverage performance significantly. However while fixing the remuneration for its key managerial personnel and other senior management personnel, care is taken to ensure that the financial prudence is not compromised with and that a reasonable parity commensurate with the level of responsibility and quantum of work handled, is maintained between the remuneration of personnel at different hierarchical levels.

## Remuneration of Directors

### (i) Remuneration of Executive Directors

Details of the remuneration drawn by the Managing/executive directors during the financial year 2017-2018 areas mentioned below:

| Name of Director            | Relationship With other Directors | Salary, allowances and perquisites per annum | Performance linked incentive (₹) | Employee Benefits (₹) | Bonuses | Stock Options | Sitting Fee | Total      |
|-----------------------------|-----------------------------------|--|----------------------------------|-----------------------|---------|---------------|-------------|------------|
| Mr. Jayant Shriniwas Kawale | None                              | 249,81,996                                   | -                                | -                     | -       | -             | Nil         | 249,81,996 |
| Mr. Himanshu Mathur         | None                              | 102,99,996                                   | -                                | -                     | -       | 70,000        | Nil         | 102,99,996 |

Notes:

1. Aforesaid components of remuneration include the Basic Salary, House Rent Allowance and other allowances, and perquisites.
2. Employee Benefits represent Gratuity, Superannuation and Compensated Absences, as applicable as per the terms of service, based on actuarial valuation.
3. Mr. Himanshu Mathur has also been granted 100,000 stock options out of which 70,000 options have already been vested in him, with 10,000 of the vested options having been exercised by him.
4. The terms and conditions of service of the said Managing/Executive Directors are contractual in nature and are additionally governed by rules and policy of the Company to the extent applicable.

### (ii) Remuneration of Non-Executive Directors

Non- Executive Directors have not been paid any remuneration/sitting fees during the financial year 2017-2018.

Further, no Non-Executive Director holds any shares in the Company.

## (C) Stakeholders Relationship Committee.

Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, requires every listed entity to constitute Stakeholders Relationship Committee to specifically look into the mechanism of redressal of grievances of shareholders, debenture holders and other security holders. Section 178 of the Companies Act, 2013 mandates similar requirement for every listed entity.

The Stakeholders Relationship Committee as constituted by the Board, comprises of two Non-Executive Independent Directors and one Non – executive promoter director as its members namely Mr. Narayanasany Jeevagan as the Chairman and member, Mr. Sanjiv Chhikara and Mr. Rajiv Rattan as the other two members.

### Terms of reference

While the constitution of the Stakeholders Relationship Committee (Committee) is a requirement mandated by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013. Irrespective of what the statutes mandate, it has always been the endeavor of the Company to ensure that its investors, being the shareholders of the Company get the best of treatments at all times. This could primarily have been ensured through an expeditious and satisfactory redressal of their grievances if any and their requests being properly addressed, for that is what an effective service of the interests of the shareholders is majorly about.

# Report on Corporate Governance (contd.)

It was with these basic objectives that a Stakeholders Committee has been in place in the Company ever since its establishment as a listed entity.

The Committee in order to meaningfully serve the purpose of its creation and effectively discharge its responsibility works in close coordination with the Company Secretarial Department of the Company and the Registrar and Transfer Agent appointed by the Company. The emphasis is always on working closely with each other so that not only the investor grievances are resolved meaningfully and in time, to their utmost satisfaction, but also that suitable measures are taken to prevent the possibility of recurrence of such events leading to such grievances.

Additionally, the Committee has been vested with the responsibility of approving the requests for share transfers and transmissions, requests pertaining to rematerialization of shares/subdivision/consolidation of shares/issue of renewed and duplicate certificates etc. for which purpose the authority at the basic operational level has been delegated by the Committee to Mr. Narayanasany Jeevagan, the Chairman of the Committee.

## Meetings and Attendance during the year

During the financial year ended March 31, 2018 the Committee met five times. The dates of the meetings were April 24, 2017, June 27, 2017, July 15, 2017, October 16, 2017 and March 19, 2018.

The attendance of the members of the Committee at the meetings held during the FY 2017 - 18 is depicted in the table given below:

| SL No | Name of members           | No. of meetings held during their tenure | No. of meetings Attended |
|-------|---------------------------|--|--------------------------|
| 1     | Mr. Sanjiv Chhikara       | 5  | 5                        |
| 2     | Mr. Rajiv Rattan          | 5  | 4                        |
| 3     | Mr. Narayanasany Jeevagan | 5  | 5                        |

## Name and designation of compliance officer

Mr. Gaurav Toshkhani, Company Secretary is the Compliance Officer pursuant to Regulation 6 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Details of queries / complaints received and resolved during the FY 2017 – 18:

| Sl. No | PARTICULARS                        | OPENING  | RECEIVED  | DISPOSED  | PENDING  |
|--------|------------------------------------|----------|-----------|-----------|----------|
| 1      | Letters from SEBI / Stock Exchange | 0        | 2         | 2         | 0        |
| 2      | Non-receipt of annual report       | 0        | 7         | 7         | 0        |
| 3      | Non-receipt of dividend            | 0        | 2         | 2         | 0        |
|        | <b>Total</b>                       | <b>0</b> | <b>11</b> | <b>11</b> | <b>0</b> |

All the complaints were resolved to the satisfaction of shareholders.

## (D) Corporate Social Responsibility (CSR) Committee

The Corporate Social Responsibility Committee of the Board of Directors of the Company constituted in compliance with the provisions of Section 135 of the Act, as on March 31, 2018 consists of three members namely Mr. Sanjiv Chhikara as its Chairman and Mr. Debashis Gupta and Mrs. Namita as the other two members (CSR Committee). CSR Committee is primarily responsible for formulating and monitoring the implementation of the corporate social responsibility policy and matters related to its overall governance.

The CSR policy of the Company is available on the website of the Company <http://www.rattanindia.com/rpl/investor-contacts>.

## Terms of Reference

The terms of reference of the CSR Committee inter-alia, include:

- To recommend to the Board the CSR policy and the CSR activity (ies) to be undertaken by the Company in pursuance thereof;

- (ii) To recommend to the Board the expenditure to be incurred on the CSR activity;
- (iii) To monitor, oversee and review the effective implementation of the CSR policy;
- (iv) To ensure compliance of all related applicable regulatory requirements with regard to CSR.

## Meetings and Attendance during the year

No meeting of the CSR Committee was held during the Financial Year 2017-18.

## 5. General Body Meetings

### A. Location and time of Annual General Meetings (AGMs)

The location and time of last three AGMs are as follows:

| Annual General Meeting (AGM) | Year    | Location   | Date               | Time       |
|------------------------------|---------|--|--------------------|------------|
| 8th AGM                      | 2014-15 | Centaur Hotel, IGI Airport, Delhi – Gurgaon Road, New Delhi – 110037 | September 30, 2015 | 9.00 A.M.  |
| 9th AGM                      | 2015-16 | Centaur Hotel, IGI Airport, Delhi – Gurgaon Road, New Delhi – 110037 | September 30, 2016 | 10.00 A.M. |
| 10th AGM                     | 2016-17 | Centaur Hotel, IGI Airport, Delhi – Gurgaon Road, New Delhi – 110037 | September 19, 2017 | 10.00 A.M. |

### B. Details of special resolutions passed in the previous three AGMs:

- (i) In the AGM of the Company for the FY 2014 - 2015 held on September 30, 2015, special resolutions as briefly specified hereunder, were passed:
  - a. Special resolution in terms of Sections 42 & 71 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, Companies (Share Capital and Debentures) Rules, 2014, SEBI (Issue and Listing of Debt Securities) Regulations, 2008, and SEBI (Issue and Listing of Debt Securities) (Amendment) Notifications, 2012 and 2014 approving to offer or invite subscriptions for secured / unsecured, redeemable, non-convertible debentures (including bonds), in one or more series / tranches, including by way of private placement, within the overall borrowing limits available to the Company in terms of resolution passed by the members of the Company pursuant to Section 180(1)(c) of the Companies Act, 2013.
  - b. Special resolution in terms of Sections 41, 42 & 62 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, Companies (Share Capital and Debentures) Rules, 2014, Foreign Exchange Management Act, 1999, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ('SEBI Regulations'), SEBI (Issue and Listing of Debt Securities) Regulations, 2008, SEBI (Issue and Listing of Debt Securities) (Amendment) Notifications, 2012 and 2014, approving to offer, issue and allot in one or more tranches, to Investors through an issue of debentures or bonds convertible into equity shares or non-convertible and/or equity shares directly or through depository receipts upto an amount not exceeding USD 200 Million including the issuances by way of qualified institutions placement.
  - c. Special resolution in terms of Sections 196, 197, 198 and 203 of the Companies Act, 2013, read with Schedule V thereto, to ratify the appointment of Mr. Jayant Shriniwas Kawale by the Board of Directors, as the Managing Director of the Company at the remuneration and other terms fixed by the Board and approve to the remuneration paid to him as the Permissible Remuneration (as defined therein), for the financial year 2014-2015.
  - d. Special resolution in terms of Sections 196, 197, 198 and 203 of the Companies Act, 2013, read with Schedule V thereto, to ratify the appointment of Mr. Himanshu Mathur as the Whole-time Director of the Company, at the remuneration and other terms fixed by the Board.
  - e. Special resolution in terms of Section 188 of the Companies Act, 2013, read with Companies (Meetings of Board and its Powers) Rules, 2014 to approve the appointment of Mr. Jayant Shriniwas Kawale, Managing Director of the Company, to a place of profit in RattanIndia Nasik Power Limited, a wholly owned subsidiary of the Company by way of his appointment as an employee of RNPL, the said appointment being in addition to his managing directorship of the Company.

# Report on Corporate Governance (contd.)

(ii) In the AGM of the Company for the FY 2015 - 2016 held on September 30, 2016, special resolutions as briefly specified hereunder, were passed:

- a. Special resolution in terms of Section 180(1)(a) of the Companies Act, 2013 read with the Companies (Meetings of the Board and its Power) Rules, 2014 as amended, approving (a) the creation of charges on the assets of the Company for the purpose of securing the borrowings of the Company or that of its subsidiaries, joint ventures and associates, from various banks, financial institutions and other lending entities, (b) the sale lease or disposal in any manner whatsoever, of any property or undertaking of the Company, in whole or in part.
- b. Special resolution in terms of Sections 42 & 71 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, Companies (Share Capital and Debentures) Rules, 2014, SEBI (Issue and listing of Debt Securities) Regulations, 2008, SEBI (Issue and listing of Debt Securities) (Amendment) Notifications, 2012 and 2014 and other applicable SEBI Regulations, approving issuance of non-convertible debentures (including bonds of various types) on private placement basis.
- c. Special resolution in terms of Sections 41, 42 & 62 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, Companies (Share Capital and Debentures) Rules, 2014, Foreign Exchange Management Act, 1999, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, SEBI (Issue and Listing of Debt Securities) Regulations, 2008, SEBI (Issue and Listing of Debt Securities) (Amendment) Notifications, 2012 and 2014, ('SEBI Regulations'), approving to offer, issue and allot in one or more tranches, to various classes of investors through an issue of shares, convertible or non-convertible debentures or bonds or other classes of securities, by way of a private placement or a qualified institutions placement upto and aggregate amount of USD 200 billion.
- d. A special resolution in terms of Section 62(3) of the Companies Act, 2013, read with the Rules made thereunder approving the grant of an option to (a) the project lenders of the Company, being the banks and financial institutions funding the 1350 MW Phase I coal based thermal power project of the Company at Amravati, (b) other lenders seeking to provide financial assistance to Company, to convert their respective outstanding loans into equity shares of the Company, in the event of a default or occurrence of any trigger events, mentioned in the loan agreements, by way of approving the provision to such effect as contained in the respective loan agreements entered into by the Company with such lenders.

(iii) In the AGM of the Company for the FY 2016 - 2017 held on September 19, 2017, special resolutions as briefly specified hereunder, were passed:

- a. Special resolution in terms of Sections 42 & 71 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, Companies (Share Capital and Debentures) Rules, 2014, SEBI (Issue and listing of Debt Securities) Regulations, 2008, SEBI (Issue and listing of Debt Securities) (Amendment) Notifications, 2012 and 2014 and other applicable SEBI Regulations, approving issuance of non-convertible debentures (including bonds of various types) on private placement basis.
- b. Special resolution in terms of Sections 196, 197 & 198 and other applicable of the Companies Act, 2013 read with Schedule V to the Act and the Notification dated September 12, 2016 issued by the Ministry of Corporate Affairs, approving variation in the terms of appointment and remuneration of Mr. Jayant Kawale, Managing Director of the Company.

## C. Special Resolutions passed during the FY 2017 - 18 through postal ballots:

During the year 2017-18, no postal ballot was conducted by the Company. As on date the Company does not envisage the requirement of holding postal ballot for transacting any business.

## 6. Disclosures

### (i) Details on materially significant related party transactions:

In compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has in place a well formulated policy on materiality of related party transactions and dealing with related party transactions, as approved by the Board of Directors of the Company. The same is uploaded on the website of the Company at the weblink: <http://www.rattanindia.com/rpl/investors-contacts>.



Apart from the Related Party Transactions in the ordinary course of business and at an arms-length basis, the details of which are given in the notes to the financial statements, no other transactions of such nature were entered into during the year under review. The transactions were not of a nature, as would require any disclosure in the Directors Report in compliance with Section 134(3)(h) of the Companies Act, 2013, in the stipulated form AOC-2.

As regards the related party transactions sought to be entered into during the financial year 2018-2019, the details of the same were placed before the Audit Committee for review and approval wherever required, at the beginning of the financial year. Subsequently the same were also placed before the Board of Directors of the Company for approval.

It would be pertinent to mention here that as regards the proposed related party transactions falling within the category of Material Related Party Transactions, in terms of the Securities And Exchange Board of India ( Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or falling within the purview of the Section 188 of the Companies Act, 2013 and Rule 15(3) of the Companies (Meetings of Board and its Power) Rules, 2014, approval of the Audit Committee and the Board of Directors was accorded subject to the condition that the same would be effectuated only upon the receipt of approval of the shareholders of the Company.

**(ii) Details of non-compliance, penalties etc. imposed by Stock Exchange, SEBI etc. on any matter related to capital markets, during the last three years:**

The Company can proudly boast of a blemish free record vis-à-vis its compliances with the various applicable statutes including those pertinent to a listed entity.

This is adequately substantiated by the fact that since its establishment as a listed entity on October 30, 2009 there has been no instance of any non-compliance on any matter related to capital markets and hence no penalties have ever been imposed or strictures passed against the Company by SEBI or the Stock Exchanges or any other statutory / regulatory authority.

It would be pertinent to mention here that there were no instances of any non-compliance with the applicable laws even during the years of the Company's existence as an unlisted entity.

**(iii) Whistle Blower policy/Vigil Mechanism and affirmation that no personnel have been denied access to the Audit Committee:**

The Company has in place a highly effective Whistle blower policy which sets out the process and mechanism whereby employees at various levels in the organization can bring to the notice of the management any violations of the applicable laws, regulations as also any unethical or unprofessional conduct. All such reports are taken up for consideration at appropriate intervals depending upon the gravity of the matter reported so that adequate rectifying measures can be initiated in the right earnest, at the appropriate levels.

Further, in order to encourage the employees to freely air their views and voice their concerns on various matters and to prevent any victimization of the employees, identity of the employees is kept strictly confidential. It would be pertinent to mention here that the Audit Committee formed by the Board, constitutes an essentially important component of the whistle blower mechanism and in particular focuses on instances of financial misconduct and deviations from the laid down standards of internal controls if any, which are thereupon reported to the Audit committee. No employee is denied access to the Audit Committee.

It would be pertinent to mention here that the policy also serves as the Vigil Mechanism of the Company thereby satisfying the requirements laid to such effect in the Companies Act, 2013.

The Policy on vigil mechanism and whistle blower policy may be accessed on the Company's website at <http://www.rattanindia.com/rpl/investor-contacts>.

**(iv) Dividend Distribution Policy**

In compliance with the requirements of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company has formulated a Dividend Distribution Policy, duly approved and adopted by its Board of Directors as set out in Annexure-F, which forms part of this report. The same also stands uploaded at the website of the Company at HYPERLINK "<http://www.rattanindia.com>" [www.rattanindia.com](http://www.rattanindia.com).

# Report on Corporate Governance (contd.)

## **(v) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of Schedule V:**

The Company has complied with all the mandatory requirements of the Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in letter as well as spirit. The details of these compliances have been given in the relevant sections of this Report. The status on compliance with the Non mandatory requirements is given at the end of the Report.

## **(vi) Insider Trading Prohibition Policy:**

The Securities and Exchange Board of India vide notification dated January 15, 2015 notified The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 which became effective from May 15, 2015. The Company has amended its Insider Trading Prohibition Policy accordingly which is available on <http://www.rattanindia.com/rpl/insider-trading-regulations/>. The Company Secretary is the Compliance Officer.

The Company has instituted a comprehensive code of conduct for its directors, management and officers and the other/connected persons with the practices and procedures for Fair Disclosure of Unpublished Price Sensitive Information, guidelines and procedures to be followed while dealing with shares of the Company including the consequences of violations, if any. The code clearly specifies, among other matters, that the Directors and specified persons including the specified employees of the Company (the Designated Persons) can trade in the shares of the Company only during 'Trading Window Open Period'. The trading window is closed during the time of declaration of results and material events, etc. as per the Code. Disclosure of shareholding is taken from all Designated Persons.

## **(vii) Governance of Subsidiary Companies:**

The minutes of the board meetings of the subsidiary companies along with the details of the significant transactions and arrangements entered into by the subsidiary companies are shared with the Board of Directors of the Company on a quarterly basis. The financial statements of the subsidiary companies are presented to the Audit Committee. The Company has one unlisted material Indian subsidiary company, as on date of this report, on the board of directors of which, a director of the Company has been nominated as a member.

The information in respect of the loans and advances in the nature of loans to subsidiary companies pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Schedule V thereto, is provided in the notes to the financial statement.

The Company has a policy for determining 'material subsidiaries' which is disclosed on its website at the following link <http://www.rattanindia.com/rpl/investor-contacts/>.

## **7. Means of Communication**

- (i) Publication of Results: The quarterly / annual results of the Company are published in the leading newspapers viz. The Financial Express and Jansatta.
- (ii) News, Release, etc: The Company has its own website [www.rattanindia.com](http://www.rattanindia.com) where all vital information pertaining to the Company and its performance including financial results, press releases pertaining to important developments, performance updates and corporate presentations etc. are regularly posted.
- (iii) Management's Discussion and Analysis Report has been included in the Annual Report, which forms a part of the Annual Report.
- (iv) Investor Relation: The Company's website contains a separate dedicated section "Investors" where information pertinent to the shareholders of the Company and to the investing public in general, is available.
- (v) NSE Electronic Application Processing System (NEAPS): The NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, etc. are filed electronically on NEAPS.
- (vi) BSE Corporate Compliance & Listing Centre (the Listing Centre): BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, etc. are also filed electronically on the Listing Centre.
- (vii) SEBI Complaints Redress System (SCORES): The investor complaints are processed in a centralised web-based complaints redressal system.

## 8. General Shareholders' Information

### (A) Company Registration Details

The Company is registered in Delhi, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L40102DL2007PLC169082.

### (B) Date, Time and Venue of Annual General Meeting (AGM)

The date, time and venue of the AGM has been indicated in the Notice convening the AGM, which forms a part of the Annual Report.

### (C) Profile of Directors seeking appointment/ re-appointment

- (i) Mr. Himanshu Mathur is a 1988 batch Mining Engineering graduate from MBM Engineering College, Jodhpur Rajasthan with over 28 years of diversified experience in a range of fields from Mining to Power. Post graduation, his initial years were spent in Hindustan Copper Ltd (A Government of India Enterprise) in the field of material handling and mining at middle level managerial position. Subsequently Mr. Mathur worked for nearly thirteen years in Siemens –AG since 1998, as Project Manager in the field of Design & Engineering of thermal and combined cycle power plants and Renovation & Modernization of coal based power plants in India and abroad.

Mr. Mathur joined the Company in April, 2010 and worked in various capacities with varied responsibilities all carried out to perfection. In recognition of his knowledge, experience, sense of dedication and towards his responsibilities and his ability to effectively handle pressure situations coupled with his project management skills, he was inducted on the Board of Directors of the Company as an Executive Director, with effect from July 8, 2015 for a period of three years. The board of directors of the Company in their meeting held on May 18, 2018, re-appointed Mr. Mathur as the Whole time director for the further period of three years effective from July 8, 2018, subject to the approval of the shareholders.

Apart from the Company, Mr. Mathur is also on the Boards of Directors (**Board**) of Poena Power Management Limited, Hecate Power Transmission Limited, Poena Power Solutions Limited, Poena Power Utility Limited, Poena Power Systems Limited, Hecate Power Utility Limited, Hecate Power Supply Limited, Poena Power Development Limited and RattanIndia Solar 6 Private Limited.

He is not a Member/Chairman of any board committees of any company.

Mr. Mathur holds 20,000 equity shares in the Company. He is not related to any other director of the Company.

- (ii) Mrs. Namita, Non-Executive Director

Mrs. Namita aged 32 years is 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.

Mrs. Namita is also on the Board of RattanIndia Infrastructure Limited.

Membership/Chairpersonship of Mrs. Namita in committees of various companies is as under:

| Name of the Company                | Name of Committee  |
|------------------------------------|--|
| RattanIndia Power Limited          | Nomination and Remuneration Committee and Corporate Social Responsibility Committee                                      |
| RattanIndia Infrastructure Limited | Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee |

Mrs. Namita is not related to any Director on the Board and does not hold any shares in the Company.

- (iii) Mr. Yashish Dahiya holds a Bachelor's degree in Engineering from IIT Delhi, a Post Graduate Diploma in Management from IIM Ahmedabad, and an MBA from INSEAD, France with High distinction. Mr. Yashish Dahiya has over 20 years of experience. He started his career as a business unit head at Illinois Tool Works and later moved on to Bain & Co. to work as a Management Consultant at their London office. Subsequently before starting his entrepreneurial Journey with PolicyBazar.com, he worked with First Europa a Global Insurance Broker, as their CEO. He was also Managing Director for Ebooker Pic, a FTSE 250 company, which was also listed on the Nasdaq and the NeurMarkt, a leading pan European online travel agency and led their business.

# Report on Corporate Governance (contd.)

Mr. Yashish Dahiya fulfils the conditions for his appointment as an Independent Director as specified in the Act and the Listing Regulations. Mr. Yashish Dahiya is independent of the management and possesses appropriate skills, experience and knowledge and his re-appointment is strongly merited by his performance record as revealed by his past Performance Evaluation reports.

Mr. Yashish Dahiya is also on the Boards of Chleon Automotive Private Limited, Etechaces Marketing and Consulting Private Limited, Icall Support Services Private Limited, Policybazaar Insurance Broking Private Limited, Paisabazaar Marketing and Consulting Private Limited, Accurex Marketing And Consulting Private Limited, Policybazaar Insurance Web Aggregator Private Limited And Docprime Technologies Private Limited.

Mr. Yashish Dahiya is not related to any Director on the Board and does not hold any shares in the Company.

**(D) Financial year:** The financial year of the Company is a period of twelve months beginning on 1st April every calendar year and ending on 31st March the following calendar year.

**(E) Dividend:** No dividend has been recommended for financial year 2017-2018.

**(E) Date of Book Closure**

Information pertaining to the Book Closure dates has been provided in the Notice convening the AGM forming part of this Annual Report.

**(F) (i)** Distribution of shareholding as on 31st March, 2018

| S. No | Shareholding of nominal value | No. of holders | % of total holders | Total Shares         | Value in ₹            | % of Nominal Value |
|-------|-------------------------------|----------------|--------------------|----------------------|-----------------------|--------------------|
| 1     | 1-5000                        | 80,669         | 49.39              | 18,316,295           | 183,162,950           | 0.62               |
| 2     | 5001- 10000                   | 27,851         | 17.05              | 24,269,477           | 242,694,770           | 0.82               |
| 3     | 10001- 20000                  | 18,771         | 11.49              | 30,232,929           | 302,329,290           | 1.02               |
| 4     | 20001- 30000                  | 11,481         | 7.03               | 28,325,053           | 283,250,530           | 0.96               |
| 5     | 30001- 40000                  | 3,681          | 2.25               | 13,557,217           | 135,572,170           | 0.46               |
| 6     | 40001- 50000                  | 5,630          | 3.45               | 27,230,191           | 272,301,910           | 0.92               |
| 7     | 50001- 100000                 | 7,395          | 4.53               | 59,056,613           | 590,566,130           | 2.00               |
| 8     | 100001& Above                 | 7,857          | 4.81               | 2,751,945,578        | 27,519,455,780        | 93.20              |
|       | <b>Total</b>                  | <b>163,335</b> | <b>100.00</b>      | <b>2,952,933,353</b> | <b>29,529,333,530</b> | <b>100.00</b>      |

**(ii)** Shareholding pattern as on 31st March, 2018

| S. No | Category   | No of shares         | % holding     |
|-------|--|----------------------|---------------|
| 1     | PROMOTERS BODIES CORPORATE   | 1,597,500,000        | 54.10         |
| 2     | BANKS, MUTUAL FUNDS, NBFC, TRUSTS AND INDIAN FINANCIAL INSTITUTIONS              | 21,931,972           | 0.74          |
| 3     | FOREIGN PORTFOLIO INVESTORS (INCLUDING FIIS)                                     | 87,126,698           | 2.95          |
| 4     | BODIES CORPORATES (DOMESTIC)   | 310,121,165          | 10.50         |
| 5     | RESIDENT INDIVIDUALS   | 495,027,847          | 16.76         |
| 6     | NRIs/erstwhile OCBs)   | 22,201,277           | 0.75          |
| 7     | FOREIGN VENTURE CAPITAL INVESTORS AND OTHER FOREIGN ENTITIES NOT INDICATED ABOVE | 415,574,928          | 14.07         |
| 8     | CLEARING MEMBERS   | 3,449,466            | 0.12          |
|       | <b>Total</b>   | <b>2,952,933,353</b> | <b>100.00</b> |

## (G) Dematerialization of shares and liquidity

Equity Shares of the Company are traded in dematerialized mode and are available for trading under both the depositories i.e. NSDL and CDSL.

As on March 31, 2018, nearly 100 % Equity shares of the Company representing 295,29,03,367 out of a total of 295,29,33,353 Equity shares, were held in dematerialized form with a miniscule balance of 29,986 Equity shares constituting less than 1% of the total outstanding Equity shares, being held in the physical segment.

## (H) Convertible Instruments

As on March 31, 2018, an aggregate of 16,56,400 stock options were in force. As and when the stock options in force are exercised, paid-up share capital of the Company shall accordingly stand increased.

## (I) Listing on Stock Exchanges

The Company's shares are listed on the following stock exchanges:

National Stock Exchange of India Limited (NSE)

"Exchange Plaza", Bandra-Kurla Complex,

Bandra (E), Mumbai – 400 051

BSE Limited (BSE)

PhirozeJeejeebhoy Towers,

Dalal Street, Mumbai – 400 001

## (J) Stock Code

BSE Limited - 533122

National Stock Exchange of India Ltd - RTNPOWER/EQ

ISIN for Dematerialization - INE399K01017

### PAYMENT OF LISTING FEE

Annual listing fee for the Financial Year 2018-19 has been paid by the Company to BSE and NSE.

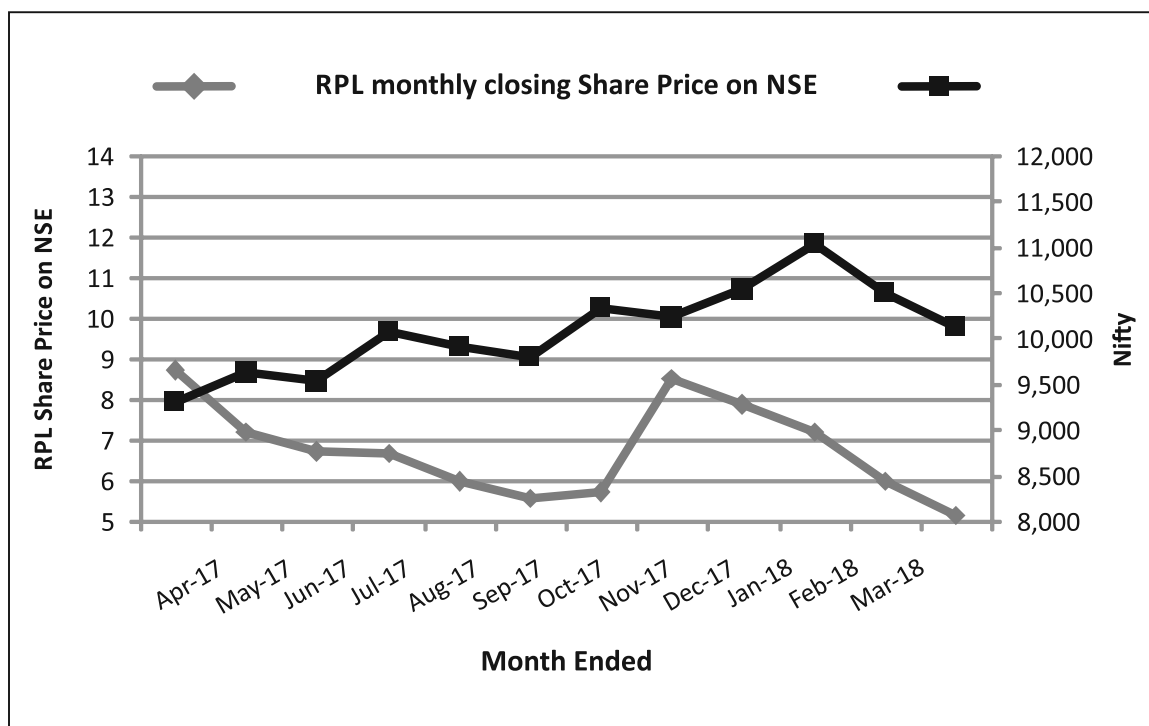
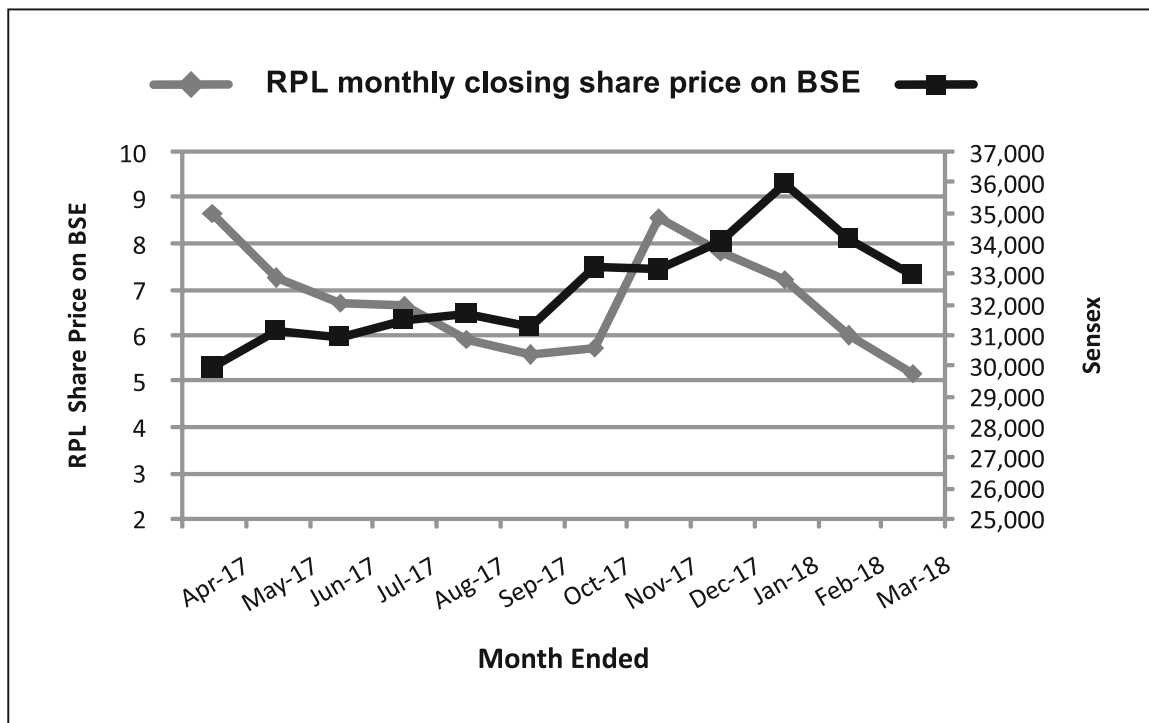
## (K) Market Price data

The monthly high and low market prices of equity shares at the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) for the year ended March 31, 2018 are as under:

| Month  | NSE        |           | BSE        |           |
|--------|------------|-----------|------------|-----------|
|        | High (INR) | Low (INR) | High (INR) | Low (INR) |
| Apr-17 | 9.6        | 7.65      | 9.6        | 7.68      |
| May-17 | 9.15       | 7.2       | 9.13       | 7.21      |
| Jun-17 | 7.35       | 6.45      | 7.34       | 6.5       |
| Jul-17 | 7.5        | 6.6       | 7.49       | 6.62      |
| Aug-17 | 6.75       | 5.5       | 6.78       | 5.51      |
| Sep-17 | 6.95       | 5.4       | 6.86       | 5.45      |
| Oct-17 | 6.25       | 5.4       | 6.2        | 5.36      |
| Nov-17 | 9.5        | 5.3       | 9.49       | 5.33      |
| Dec-17 | 9.4        | 7.75      | 9.35       | 7.72      |
| Jan-18 | 8.65       | 6.95      | 8.65       | 6.96      |
| Feb-18 | 7.3        | 5.8       | 7.3        | 5.84      |
| Mar-18 | 6.25       | 5         | 6.21       | 5         |

# Report on Corporate Governance (contd.)

## (L) Performance of the Company in comparison to broad-based indices



## **(M) Registrar and Transfer Agents**

M/s Karvy Computer share Private Limited are acting as the Registrar and Transfer Agents of the Company for handling the share related matters, both in physical and dematerialised mode.

### **The contact details are as under:**

Karvy Computershare Private Limited  
Unit : RattanIndia Power Limited  
Karvy Selenium Tower – B, Plot No. 31 & 32  
Gachibowli, Financial District, Nanakramguda  
Serilingampally, Hyderabad – 500 032  
Contact Person : Ms. ShobhaAnand, DGM, Corporate Registry  
Tel : 040-67162222  
Fax: 040-23001153  
E-mail: einward.ris@karvy.com

## **(N) Share Transfer System**

With almost the entire shareholding of various shareholders in the Company being in the dematerialised form, the transfers take place electronically through the depository participants of the parties involved, in the interface/platform available under the Depository system, through the depositories i.e. NSDL and CDSL, without an intervention of the Company as the same is neither possible nor required.

However as regards the transfer requests received pertaining to the miniscule number of shares existing in the physical form, the system in place in the Company involves a close co-ordination between the Stakeholders Committee of the Company and its Registrar and Transfer Agent (RTA), both the entities working hand in hand to ensure that transfer requests are thoroughly scrutinized, entered in the register of transfers being maintained by the Company through the RTA and approved or rejected, well within the stipulated time, with the transferred share certificates or the documents pertaining to the rejected transfer requested being dispatched to the party concerned within the statutorily laid down time limit.

The transfer requests are scrutinized and proceed twice in every calendar month fortnightly basis.

## **(O) Address for Correspondence**

Registered & Corporate office:  
RattanIndia Power Limited  
5th Floor, Tower – B, Worldmark – 1,  
Aerocity, New Delhi- 110 037,  
Tel : 011-46612666, Fax: 011-46612777  
Website: www.rattanindia.com

## **(P) Plant Locations :**

Amravati Thermal Power Project of the Company is located at village Nandgaonpeth, Amravati district, Maharashtra.

## **(Q) Commodity Price Risk/Foreign Exchange Risk and Hedging Activities**

The Company has no exposure to the commodity price risk and foreign exchange risk.

## **(R) Equity shares in the suspense account:** In accordance with the requirement of Regulation 34 (3) and Schedule V Part F of SEBI Listing Regulations, the Company reports the following details in respect of equity shares lying in the suspense account which were issued in dematerialised form pursuant to the public issue of the Company:



# Report on Corporate Governance (contd.)

- 1 Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year.

|   |   |   |
|---|---|---|
| 1 | Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year. | 98 shareholders holding 32,100 equity shares. |
| 2 | Number of shareholders who approached listed entity for transfer of shares from suspense account during the year.       | 1 shareholder – 450 equity shares             |
| 3 | Number of shareholders to whom shares were transferred from suspense account during the year.                           | 1 shareholder – 450 equity shares             |
| 4 | Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year.       | 97 shareholders holding 31,650 equity shares. |

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

## (S) Transfer of unclaimed / unpaid amounts to the Investor Education and Protection Fund (“IEPF”) :

The Company has not declared any dividends since the date of its incorporation and the amount of refunds which were lying unclaimed in respect of the Initial Public Offering of the Company have been transferred to the Investor Education Protection Fund.

## (T) Important information for shareholders

- Pursuant to SEBI circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018, shareholders who are holding shares in physical form and whose ledger folios do not have or having incomplete details with regard to PAN and Bank mandate particulars are required to compulsorily furnish the details to the RTA for registration in the folio. The RTA has already sent letters to the concerned shareholders for the said updation.
- The Shareholders who are holding shares in physical form may also note that, pursuant to SEBI LODR Amendment Regulations, effective 5th December, 2018, requests for effecting transfer of securities in physical form shall not be processed unless the securities are held in the dematerialized form with a depository. Hence shareholders are requested to demat their physical holding for any further transfer.

## 8. Compliance Certificate from the Practicing Company Secretary

A certificate from a Practicing Company Secretary certifying the Company's compliance with the provisions of Corporate Governance as stipulated under Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to and forms a part of the Board's Report.

## 9. CEO & CFO Certification

A certificate as to financial statements & cash flow statements for the financial year 2017-18 and the internal control for financial reporting, furnished by Managing Director and Chief Financial Officer, in compliance with Regulation 17(8) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, was placed before the Board of Directors at the meeting whereat the audited annual accounts of the Company for the Financial Year 2017-18, were approved by the Board.

## 10. Discretionary Requirements

Status of Compliance of Discretionary requirement in compliance with Part E of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as under:

### (A) Non –Executive Chairman

The Company has a non-executive Chairman who works out of an office being maintained by the Company.

### (B) Separate posts of Chairman and Managing Director.

While the Company has a non-executive Chairman, it separately has a Managing Director as well, who was appointed with effect from October 1, 2014.

## **(C) Shareholders Rights**

The Company is getting its quarterly/half yearly and annual financial results published in leading newspapers with wide circulation across the country and regularly updates the same on its public domain website. In view of the same individual communication of quarterly/ half yearly and annual financial results to the shareholders is not being made at present.

Further, information pertaining to important developments in the Company is brought to the knowledge of the public at large and to the shareholders of the Company in particular, through communications sent to the stock exchanges where the shares of the Company are listed and which then get updated on the websites of these exchanges, through press releases in leading newspapers and through regular uploads made on the Company website.

## **(D) Modified financial statements**

While it has been the endeavor of the Company to have its accounting and operational systems and controls working to enable and ensure a complete adherence to applicable accounting standards and the best of corporate practices, sometimes situations could arise where a company while being compliant with the same in spirit, may opt out due to audit perceptions emanating from the procedural aspects, receive a Modified Auditors Report.

In their report on the annual accounts of the Company for the financial year 2017-2018, the Statutory Auditors (Auditors) of the Company raised a qualification in respect of certain advances made by the Company in the course of its business, to certain subsidiaries, expressing concern over the ability of the Company to recover the value of such advances and to make an impairment assessment in its books in regard to the same

In response to the said perception of the Auditors, it has been explained and conveyed to them that the management is confident of realizing the value of such advances and accordingly no impairment in the value of the same has been recorded in the books of the Company.

It is worthwhile to mention here this does not change the constant efforts of the Company, being the efforts which have always yielded fruits in the past, to implement and put into operation the best of compliance systems, accounting and non-accounting policies, practices and procedures and corporate practices, accounting and non-accounting, to always ensure utmost level of compliances on part of the Company.

## **(E) Reporting of Internal Auditor**

The Company has an Internal Auditor, who was appointed by the Audit Committee, with such appointment being subsequently ratified by the Board of Directors. The Internal Auditor reports directly to the Audit Committee with his reports being subsequently forwarded to the Board of Directors by the Audit Committee.

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## **DECLARATION AS REQUIRED UNDER THE LISTING REGULATIONS**

All Directors and senior management of the Company have affirmed compliance with the RattanIndia Power Limited Code of Conduct for the financial year ended 31st March, 2018.

For **RattanIndia Power Limited**

Sd/-  
**Jayant Shriniwas Kawale**  
Managing Director

# Report on Corporate Governance (contd.)

To  
The Board of Directors'  
RattanIndia Power Limited  
5th Floor, Tower-B, Worldmark-1, Aerocity, New Delhi-110037

**Compliance Certificate pursuant to Regulation 17(8) read with Part-B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 of Chief Financial Officer (CFO) and Managing Director of the Company.**

We, the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of RattanIndia Power Limited ("the Company"), to the best of our knowledge and belief certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended March 31st, 2018 and to the best of our knowledge and belief, we state that:
  - (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and having evaluated the same, state there was nothing to disclose to the Auditors and the Audit Committee as to deficiencies in the design or operation of internal controls as no such deficiencies were to the best of our knowledge and information, found.
- (d) It has been indicated to the Audit Committee and the Auditors that :
  - (1) there have not been any significant changes in internal control over financial reporting during the year ended March 31st, 2018;
  - (2) there have not been any significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
  - (3) We are not aware of any instances of significant fraud with involvement therein, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-  
**Jayant Shriniwas Kawale**  
Managing Director

Sd/-  
**Samir Taneja**  
Chief Financial Officer

Place : New Delhi  
Date : May 18, 2018

## CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To  
The Members,  
RattanIndia Power Limited,

We have examined the compliance of conditions of Corporate Governance by RattanIndia Power Limited ("the Company"), for the year ended March 31, 2018, as stipulated in Regulations 17 to 27, 46 (2) (b) to (i) and para C, D and E of Schedule V of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) for the period ended March 31, 2018.

We state that the compliance of conditions of Corporate Governance is the responsibility of the Company's management and our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned LODR.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This certificate is issued solely for the purposes of complying with the aforesaid Regulations and may not be suitable for any other purpose.

For **S. Khandelwal & Co.**  
Company Secretaries

Sd/-  
**Sanjay Khandelwal**  
Proprietor

Membership No: FCS-5945  
CP No.: 6128

Date :August 23, 2018  
Place: New Delhi

# Independent Auditors' Report

**To the Members of RattanIndia Power Limited (Indiabulls Power Limited.)**

## **Report on the Consolidated Financial Statements**

1. We have audited the accompanying consolidated financial statements of RattanIndia Power Limited (Indiabulls Power Limited.) ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

## **Management's Responsibility for the Consolidated Financial Statements**

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The Holding Company's Board of Directors and the respective Board of Directors / management of the subsidiaries included in the Group, are responsible for the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. Further, in terms of the provisions of the Act, the respective Board of Directors / management of the companies included in the Group, covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

## **Auditor's Responsibility**

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
4. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these consolidated financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
7. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 12 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on these consolidated financial statements.

## Basis for Qualified Opinion

8. Other current assets in the accompanying consolidated financial statements of the Group includes advances amounting to ₹ 74,150.27 lakhs given by two step down subsidiaries of the Group, Genoformus Limited and Renemark Limited. In absence of sufficient appropriate evidence made available to us or the component auditors, we are unable to comment on any adjustment that may be required to the carrying values of such advances outstanding as at 31 March 2018. We draw attention to the Basis for disclaimer of opinion paragraph included in the audit reports dated 17 May 2018 issued by the auditor of these two step down subsidiaries, reproduced by us as under:

“Because of restrictions imposed by the Company’s effective management we have not been able to obtain sufficient appropriate audit evidence to reasonably assure ourselves that advancement set in note 8 is stated at its recoverable amount. It worth noticing that it is the view of effective management that the said amount is not subject to impairment, something that was confirmed by written representation signed by RattanIndia’ group CFO and Group secretary, as RattanIndia is the ultimate parent of the Company and this transaction, as discussed with effective management relates to assets that will be transferred and used by the ultimate parent. Although receiving this representation, due to the significant limitation of scope there were no alternative audit procedure that we could adopt that would allow us to reliably estimate the recoverable amount and the possible adjustments to the carrying amount, if any, as for this asset.”

## Qualified Opinion

9. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs (consolidated financial position) of the Group, as at 31 March 2018, and their consolidated loss (consolidated financial performance including other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

## Material Uncertainty Related to Going Concern

10. We draw attention to Note 52 to the consolidated financial statements which indicate that the Group has incurred a net loss of ₹ 164,817.63 lakhs during the year ended 31 March 2018 and, as of that date, the Group’s accumulated losses from operations amounted to ₹ 350,549.44 lakhs and its current liabilities exceed current assets by ₹ 397,585.41 lakhs. The Group has also made defaults in repayment of borrowings from banks, including interest, by an amount aggregating ₹ 241,277.23 lakhs up till 31 March 2018. These conditions along with other matters as set forth in such note, indicate the existence of material uncertainty that may cast significant doubt about the Group’s ability to continue as a going concern. However, in view of the ongoing discussions relating to restructuring of its borrowings and other debts with the lenders, better financial performance as a result of favourable business conditions expected in future and other mitigating factors mentioned in the aforesaid note, the management is of the view that going concern basis of accounting is appropriate. Our opinion is not modified in respect of this matter.

## Emphasis of Matters

11. We draw attention to Note 53 to the accompanying consolidated financial statements with respect to capital work in progress (CWIP) and capital advances (classified under other non-current assets), aggregating to ₹ 98,970 lakhs and ₹ 70,799 lakhs respectively, outstanding as at 31 March 2018, pertaining to construction activities of second 1350 MW power plants of the Company and one of its subsidiary company, RattanIndia Nasik Power Limited, which are currently suspended. Based on expected revival of the projects and other factors described in the aforesaid note, the management believes that no adjustment is required to the carrying value of the aforesaid balances. Our opinion is not modified in respect of this matter.

## Other Matter

12. We did not audit the financial statements of 63 subsidiaries, whose financial statements reflect total assets of ₹ 249,318.42 lakhs and net assets of ₹ 137,217.21 lakhs as at 31 March 2018, and total revenues of ₹ 12,179.10 lakhs and net cash outflows

## Independent Auditors' Report (contd.)

amounting to ₹ 2,313.24 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report, in so far as it relates to the aforesaid subsidiaries are based solely on the reports of such other auditors.

Further, of these subsidiaries, 3 subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries, located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion, in so far as it relates to the financial information of such subsidiaries located outside India, is based on the reports of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

13. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, we report, to the extent applicable, that:

- a) we have sought and except for the possible effect of the matter described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors, except for the possible effects of the matter described in paragraph 8 of the Basis for Qualified Opinion paragraph with respect to the financial statements of the Bracond Limited, a subsidiary company, Genoformus Limited and Renemark Limited, step-down subsidiaries of the Holding Company respectively;
- c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under Section 133 of the Act;
- e) the matter described in paragraph 8 under the Basis of qualified opinion, paragraph 10 under Material Uncertainty Related to Going Concern and paragraph 11 under Emphasis of Matter Paragraph, in our opinion, may have an adverse effect on the functioning of the Holding Company, Bracond Limited, a subsidiary company, Genoformus Limited and Renemark Limited, step-down subsidiaries of the Holding Company;
- f) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies, covered under the Act, none of the directors of the Group companies, covered under the Act, are disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- g) the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 8 of the Basis for Qualified Opinion paragraph with respect to Genoformus Limited and Renemark Limited, step-down subsidiaries;
- h) with respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, and its subsidiary companies, companies covered under the Act and the operating effectiveness of such controls, refer to our separate report in 'Annexure A';



- i) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries:
  - (i) the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, as detailed in Note 32(A) and (B) to the consolidated financial statements.
  - (ii) the Group, did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies covered under the Act during the year ended 31 March 2018;
  - (iv) the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016 which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm Registration No.: 001076N/N500013

Place: New Delhi  
Date: 18 May 2018

per **Neeraj Goel**  
Partner  
Membership No. 099514

# Annexure A to the Independent Auditors' Report

**Annexure A to the Independent Auditor's Report of even date to the members of RattanIndia Power Limited (Formerly known as Indiabulls Power Limited.) on the consolidated financial statements for the year ended 31 March 2018**

## **Annexure A**

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the 'Act')

1. In conjunction with our audit of the consolidated financial statements of the RattanIndia Power Limited (Formerly known as Indiabulls Power Limited.) (the 'Company') and its subsidiaries incorporated in India, as of and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting (IFCoFR) of the Company and its subsidiary companies incorporated in India, as of that date.

## **Management's Responsibility for Internal Financial Controls**

2. The respective Board of Directors of the Company and its subsidiary companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company and its subsidiary companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to the company's policies, the safeguarding of the company's assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

## **Auditors' Responsibility**

3. Our responsibility is to express an opinion on the IFCoFR of the Company and its subsidiary companies incorporated in India based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Company and its subsidiary companies as aforesaid.

## **Meaning of Internal Financial Controls over Financial Reporting**

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

8. In our opinion and based on the consideration of the reports of the other auditors on IFCoFR of the subsidiary companies, the Holding Company, its subsidiary companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company and its subsidiary company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

## Other Matter

9. We did not audit the IFCoFR in so far as it relates to 63 subsidiary companies, which are companies covered under the Act, whose financial statements reflect total assets of ₹ 249,318.42 lakhs and net assets of ₹ 137,217.21 lakhs as at 31 March 2018, total revenues of ₹ 12,179.10 lakhs and net cash outflows amounting to ₹ 2,313.24 lakhs for the year ended on that date, as considered in the consolidated financial statements. The IFCoFR in so far as it relates to such subsidiary companies have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the IFCoFR for the Holding Company and its subsidiary companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

per **Neeraj Goel**

Partner

Membership No. 099514

Place: New Delhi

Date: 18 May 2018

# Consolidated Balance Sheet

of RattanIndia Power Limited (Formerly known as Indiabulls Power Limited.) as at 31 March 2018

|  | Note | As at 31 March 2018 | (Amount in ₹ Lakhs)<br>As at 31 March 2017 |
|--|------|---------------------|--|
| <b>ASSETS</b>  |      |                     |  |
| <b>Non-current assets</b>  |      |                     |  |
| (a) Property, plant and equipment  | 4    | 1,501,050.83        | 1,079,155.49                               |
| (b) Capital work-in-progress   |      | 228,288.71          | 633,908.18                                 |
| (c) Goodwill   | 5    | 31.23               | 31.23                                      |
| (d) Other intangible assets  | 5    | 46.48               | 127.74                                     |
| (e) Financial assets   |      |                     |  |
| (i) Loans  | 6    | 1,543.80            | 1,552.02                                   |
| (ii) Other financial assets  | 7    | 4,226.18            | 31,384.60                                  |
| (f) Deferred tax assets (net)  | 8    | 0.65                | 1,677.67                                   |
| (g) Non-current tax assets (net)   | 9    | 4,574.25            | 4,351.00                                   |
| (h) Other non-current assets   | 10   | 114,640.08          | 131,689.85                                 |
|  |      | <b>1,854,402.21</b> | <b>1,883,877.78</b>                        |
| <b>Current assets</b>  |      |                     |  |
| (a) Inventories  | 11   | 15,299.52           | 8,337.61                                   |
| (b) Financial assets   |      |                     |  |
| (i) Investments  | 12   | 1,007.02            | 7,000.00                                   |
| (ii) Trade receivables   | 13   | 132,714.59          | 79,158.80                                  |
| (iii) Cash and cash equivalents  | 14   | 14,914.39           | 27,631.07                                  |
| (iv) Other bank balances   | 15   | 3,651.45            | 3,385.00                                   |
| (v) Loans  | 6    | 1,751.02            | 1,679.59                                   |
| (vi) Other financial assets  | 7    | 21,672.06           | 19,715.18                                  |
| (c) Current tax assets (net)   | 9    | 37.89               | 31.57                                      |
| (d) Other current assets   | 10   | 91,546.78           | 89,923.12                                  |
|  |      | <b>282,594.72</b>   | <b>236,861.94</b>                          |
|  |      | <b>2,136,996.93</b> | <b>2,120,739.72</b>                        |
| <b>TOTAL ASSETS</b>  |      |                     |  |
| <b>EQUITY AND LIABILITIES</b>  |      |                     |  |
| <b>EQUITY</b>  |      |                     |  |
| (a) Equity share capital   | 16   | 294,543.34          | 284,543.34                                 |
| (b) Other equity   | 17   | (44,703.27)         | 122,329.90                                 |
|  |      | 249,840.07          | 406,873.24                                 |
| (c) Non-controlling interests  |      | 188.46              | 217.60                                     |
|  |      | <b>250,028.53</b>   | <b>407,090.84</b>                          |
| <b>LIABILITIES</b>   |      |                     |  |
| <b>Non-current liabilities</b>   |      |                     |  |
| (a) Financial liabilities  |      |                     |  |
| (i) Borrowings   | 18   | 1,108,201.10        | 1,213,533.83                               |
| (ii) Other financial liabilities   | 19   | 14,402.20           | 12,723.85                                  |
| (b) Deferred tax liabilities (net)   | 8    | -                   | 3,540.38                                   |
| (c) Provisions   | 20   | 16,339.40           | 15,329.85                                  |
| (d) Other non-current liabilities  | 21   | 67,845.57           | 48,761.42                                  |
|  |      | <b>1,206,788.27</b> | <b>1,293,889.33</b>                        |
| <b>Current liabilities</b>   |      |                     |  |
| (a) Financial liabilities  |      |                     |  |
| (i) Borrowings   | 22   | 157,810.87          | 163,342.59                                 |
| (ii) Trade payables  | 23   | 4,500.85            | 5,322.94                                   |
| (iii) Other financial liabilities  | 19   | 502,022.30          | 238,028.31                                 |
| (b) Other current liabilities  | 21   | 10,506.53           | 9,759.92                                   |
| (c) Provisions   | 20   | 5,339.58            | 2,858.59                                   |
| (d) Current tax liabilities (net)  | 24   | -                   | 447.20                                     |
|  |      | <b>680,180.13</b>   | <b>419,759.55</b>                          |
|  |      | <b>2,136,996.93</b> | <b>2,120,739.72</b>                        |
| <b>TOTAL EQUITY AND LIABILITIES</b>  |      |                     |  |
| Summary of significant accounting policies   | 3    |                     |  |
| The accompanying notes are integral part of the consolidated financial statements. | 1-53 |                     |  |

This is the consolidated balance sheet referred to in our report of even date.

For Walker Chandio & Co. LLP  
Chartered Accountants

For and on behalf of the Board of Directors

per Neeraj Goel  
Partner

Rajiv Rattan  
Chairman  
DIN: 00010849

Jayant Kawale  
Managing Director  
DIN: 00076038

Samir Taneja  
Chief Financial Officer

Gaurav Toshkhani  
Company Secretary

Place: New Delhi  
Date: 18 May 2018

# Consolidated Statement of Profit and Loss

**RattanIndia**

of RattanIndia Power Limited (Formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

|   |      | (Amount in ₹ Lakhs)                 |                                     |
|---|------|-------------------------------------|-------------------------------------|
|   | Note | For the year ended<br>31 March 2018 | For the year ended<br>31 March 2017 |
| <b>Revenue</b>  |      |                                     |                                     |
| Revenue from operations   | 25   | 205,439.31                          | 139,051.56                          |
| Other income  | 26   | 14,924.15                           | 15,532.17                           |
|   |      | <b>220,363.46</b>                   | <b>154,583.73</b>                   |
| <b>Expenses</b>   |      |                                     |                                     |
| Cost of fuel, water and power consumed  | 27   | 119,347.16                          | 46,712.15                           |
| Employee benefits expense   | 28   | 12,690.13                           | 11,619.87                           |
| Finance costs   | 29   | 195,383.99                          | 123,769.17                          |
| Depreciation and amortisation expense   | 30   | 39,973.14                           | 25,351.49                           |
| Other expenses  | 31   | 17,940.68                           | 9,524.18                            |
|   |      | <b>385,335.10</b>                   | <b>216,976.86</b>                   |
| <b>Loss before tax</b>  |      | <b>(164,971.64)</b>                 | <b>(62,393.13)</b>                  |
| <b>Tax expense:</b>   | 44   |                                     |                                     |
| Current tax   |      | 113.25                              | 46.06                               |
| Deferred tax  |      | 1,262.99                            | 618.09                              |
| <b>Loss for the year</b>  |      | <b>(166,347.88)</b>                 | <b>(63,057.28)</b>                  |
| <b>Other comprehensive income</b>   |      |                                     |                                     |
| A. Items that will not be reclassified to profit or loss                                  |      |                                     |                                     |
| i) Re-measurements of defined benefit plans   |      | 990.46                              | (2,895.61)                          |
| B. Items that will be reclassified to profit or loss                                      |      |                                     |                                     |
| i) Exchange differences in translating the foreign operations                             |      | 539.79                              | (2,019.22)                          |
| <b>Other comprehensive income for the year</b>  |      | <b>1,530.25</b>                     | <b>(4,914.83)</b>                   |
| <b>Total comprehensive income for the year</b>  |      | <b>(164,817.63)</b>                 | <b>(67,972.11)</b>                  |
| <b>Loss for the year attributable to:</b>   |      |                                     |                                     |
| Owner   |      | (166,318.74)                        | (63,030.93)                         |
| Non-controlling interest  |      | (29.14)                             | (26.35)                             |
|   |      | <b>(166,347.88)</b>                 | <b>(63,057.28)</b>                  |
| <b>Other comprehensive income for the year attributable to:</b>                           |      |                                     |                                     |
| Owner   |      | (1,530.25)                          | 4,914.83                            |
| Non-controlling interest  |      | -                                   | -                                   |
|   |      | <b>(1,530.25)</b>                   | <b>4,914.83</b>                     |
| <b>Total comprehensive income for the year attributable to:</b>                           |      |                                     |                                     |
| Owner   |      | (164,788.49)                        | (67,945.76)                         |
| Non-controlling interest  |      | (29.14)                             | (26.35)                             |
|   |      | <b>(164,817.63)</b>                 | <b>(67,972.11)</b>                  |
| <b>Earnings per equity share</b>  | 37   |                                     |                                     |
| Basic (₹)   |      | (5.65)                              | (2.22)                              |
| Diluted (₹)   |      | (5.65)                              | (2.22)                              |
| <b>Summary of significant accounting policies</b>   | 3    |                                     |                                     |
| <b>The accompanying notes are integral part of the consolidated financial statements.</b> | 1-53 |                                     |                                     |

This is the consolidated statement of profit and loss referred to in our report of even date.

For Walker Chandio & Co. LLP  
Chartered Accountants

For and on behalf of the Board of Directors

per Neeraj Goel  
Partner

Rajiv Rattan  
Chairman  
DIN: 00010849

Jayant Kawale  
Managing Director  
DIN: 00076038

Samir Taneja  
Chief Financial Officer

Gaurav Toshkhani  
Company Secretary

Place: New Delhi  
Date: 18 May 2018

# Consolidated Statement of changes in equity

of RattanIndia Power Limited (Formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

## A Equity share capital (refer note 16)

(Amount in ₹ Lakhs)

| Particulars           | Balance as at<br>1 April 2016 | Movement<br>during the year | Balance as at<br>31 March 2017 | Movement<br>during the year | Balance as at<br>31 March 2018 |
|-----------------------|-------------------------------|-----------------------------|--------------------------------|-----------------------------|--------------------------------|
| Equity Share Capital  | 295,293.34                    | -                           | 295,293.34                     | -                           | 295,293.34                     |
| Less: Treasury shares | 10,750.00                     | -                           | 10,750.00                      | (10,000.00)                 | 750.00                         |
| <b>Total</b>          | <b>284,543.34</b>             | <b>-</b>                    | <b>284,543.34</b>              | <b>10,000.00</b>            | <b>294,543.34</b>              |

## B Other equity (refer note 17)

(Amount in ₹ Lakhs)

| Particulars   | Attributable to owners |                                  |   |  |                      |                       | Non-<br>controlling<br>interests | Total        |
|---|------------------------|----------------------------------|---|--|----------------------|-----------------------|----------------------------------|--------------|
|   | Reserves and surplus   |                                  |   |  |                      | Total other<br>equity |                                  |              |
|   | Capital<br>reserve     | Securities<br>premium<br>reserve | Foreign<br>currency<br>translation<br>reserve | Employee<br>stock<br>option<br>reserve | Retained<br>earnings |                       |                                  |              |
| Balance as at 1 April 2016                                    | 26,826.43              | 255,772.26                       | 26,910.43                                     | 47.18                                  | (119,324.25)         | 190,232.05            | 243.95                           | 190,476.00   |
| Loss for the year   | -                      | -                                | -   | -                                      | (63,030.93)          | (63,030.93)           | (26.35)                          | (63,057.28)  |
| Other comprehensive income                                    | -                      | -                                | (2,019.22)                                    | -                                      | (2,895.61)           | (4,914.83)            | -                                | (4,914.83)   |
| Employee's stock options vested<br>(refer note 35)            | -                      | -                                | -   | 43.61                                  | -                    | 43.61                 | -                                | 43.61        |
| Employee's stock options lapsed<br>(refer note 35)            | -                      | -                                | -   | (3.88)                                 | 3.88                 | -                     | -                                | -            |
| Balance as at 31 March 2017                                   | 26,826.43              | 255,772.26                       | 24,891.21                                     | 86.91                                  | (185,246.91)         | 122,329.90            | 217.60                           | 122,547.50   |
| Loss for the year   | -                      | -                                | -   | -                                      | (166,318.74)         | (166,318.74)          | (29.14)                          | (166,347.88) |
| Other comprehensive income                                    | -                      | -                                | 539.79  | -                                      | 990.46               | 1,530.25              | -                                | 1,530.25     |
| Employee's stock options vested /<br>(lapsed) (refer note 35) | -                      | -                                | -   | (25.75)                                | 25.75                | -                     | -                                | -            |
| Loss on disposal of Treasury share                            | (2,210.46)             | -                                | -   | -                                      | -                    | (2,210.46)            | -                                | (2,210.46)   |
| Other adjustments   | -                      | -                                | -   | (34.22)                                | -                    | (34.22)               | -                                | (34.22)      |
| Balance as at 31 March 2018                                   | 24,615.97              | 255,772.26                       | 25,431.00                                     | 26.94                                  | (350,549.44)         | (44,703.27)           | 188.46                           | (44,514.81)  |

The accompanying notes are integral part of the consolidated financial statements (refer note 1-53).

This is the consolidated statement of changes in equity referred to in our report of even date.

For Walker Chandio & Co. LLP  
Chartered Accountants

For and on behalf of the Board of Directors

per Neeraj Goel  
Partner

Rajiv Rattan  
Chairman  
DIN: 00010849

Jayant Kawale  
Managing Director  
DIN: 00076038

Samir Taneja  
Chief Financial Officer

Gaurav Toshkhani  
Company Secretary

Place: New Delhi  
Date: 18 May 2018

# Consolidated Cash Flow Statement

**RattanIndia**

of RattanIndia Power Limited (Formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

|   | (Amount in ₹ Lakhs)                 |                                     |
|---|-------------------------------------|-------------------------------------|
|   | For the year ended<br>31 March 2018 | For the year ended<br>31 March 2017 |
| <b>A CASH FLOW FROM OPERATING ACTIVITIES</b>  |                                     |                                     |
| Loss before tax   | (164,971.64)                        | (62,393.13)                         |
| <b>Adjustments for:</b>   |                                     |                                     |
| Depreciation/ amortisation expense  | 39,973.14                           | 25,351.49                           |
| Loss on sale of investment  | 81.91                               | 22.68                               |
| Profit on sale of investment  | (65.96)                             | -                                   |
| Interest income   | (872.93)                            | (743.84)                            |
| Dividend income   | (468.57)                            | (173.24)                            |
| Loss on foreign currency transactions   | 451.10                              | 195.44                              |
| Finance costs   | 195,383.99                          | 123,769.17                          |
| Profit on sale of property, plant and equipment   | (2.20)                              | (0.06)                              |
| Provision for compensation payable  | 2,421.02                            | -                                   |
| Unclaimed balances and excess provisions written back                                     | (139.40)                            | (0.12)                              |
| <b>Operating profit before working capital changes</b>                                    | <b>71,790.46</b>                    | <b>86,028.39</b>                    |
| <b>Movement in working capital</b>  |                                     |                                     |
| Movement in loans   | (30,767.36)                         | 303.26                              |
| Movement in inventories   | (6,961.91)                          | 18,627.56                           |
| Movement in other financial assets  | 24,069.47                           | 32,676.49                           |
| Movement in other assets  | (1,806.80)                          | (3,521.38)                          |
| Movement in trade and other receivables   | (53,708.86)                         | 6,540.23                            |
| Movement in other financial liabilities   | (361.84)                            | 1,507.46                            |
| Movement in other liabilities   | 20,972.83                           | 1,753.64                            |
| Movement in trade and other payables  | (822.09)                            | (22,768.44)                         |
| <b>Cash flow generated/ (used) from operating activities post working capital changes</b> | <b>22,403.89</b>                    | <b>121,147.21</b>                   |
| Income tax paid (net)   | (921.23)                            | (536.76)                            |
| <b>Net cash flow generated/ (used) from operating activities (A)</b>                      | <b>21,482.66</b>                    | <b>120,610.45</b>                   |
| <b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                                     |                                     |
| Purchase of property, plant and equipment (including capital work-in-progress)            | (49,377.75)                         | (42,161.22)                         |
| Proceeds from sale/disposal of property, plant and equipment                              | 22,760.84                           | 12.61                               |
| Purchase of intangible assets   | (12.14)                             | (24.19)                             |
| Movement in investments   | 4,172.30                            | (7,000.00)                          |
| Proceeds from disposal of subsidiaries  | 9,962.00                            | -                                   |
| Movement in fixed deposits (net)  | 455.72                              | (922.49)                            |
| Interest received   | 852.22                              | 637.00                              |
| Dividend received   | 468.58                              | 173.24                              |
| <b>Net cash flows generated/ (used) in investing activities (B)</b>                       | <b>(10,718.23)</b>                  | <b>(49,285.05)</b>                  |



# Consolidated Cash Flow Statement *(Contd.)*

of RattanIndia Power Limited (Formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

|   | (Amount in ₹ Lakhs)                 |                                     |
|---|-------------------------------------|-------------------------------------|
|   | For the year ended<br>31 March 2018 | For the year ended<br>31 March 2017 |
| <b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>                           |                                     |                                     |
| Proceeds from long-term borrowings                                      | 55,289.59                           | 108,810.45                          |
| Repayment of long-term borrowings                                       | (30,414.04)                         | (60,604.25)                         |
| Repayment of short-term borrowings (net)                                | (5,531.72)                          | 66,826.09                           |
| Finance cost paid   | (44,317.58)                         | (187,247.71)                        |
| <b>Net cash generated/ (used) in financing activities (C)</b>           | <b>(24,973.75)</b>                  | <b>(72,215.42)</b>                  |
| <b>Increase/(decrease) in cash and cash equivalents (A+B+C)</b>         | <b>(14,209.31)</b>                  | <b>(890.02)</b>                     |
| Cash and cash equivalents at the beginning of the year                  | 27,631.07                           | 28,521.09                           |
| <b>Cash and cash equivalents at the end of the year (refer note 14)</b> | <b>14,914.39</b>                    | <b>27,631.07</b>                    |

## Reconciliation of liabilities arising from financing activities

|  | (Amount in ₹ Lakhs)     |                          |                     |
|--|-------------------------|--------------------------|---------------------|
|  | Long-term<br>borrowings | Short-term<br>borrowings | Total               |
| <b>As at 1 April 2017</b>  | 1,305,232.53            | 163,342.59               | 1,468,575.12        |
| Cash flows:  |                         |                          |                     |
| Proceed from / (repayment of) borrowings (net)                                     | 24,875.56               | (5,531.72)               | 19,343.84           |
| Disposal of subsidiary   | (19,181.09)             | -                        | (19,181.09)         |
| Non-cash:  |                         |                          |                     |
| Reduction in borrowing pursuant to adjustment with treasury shares (refer note 51) | (7,789.54)              | -                        | (7,789.54)          |
| Impact of borrowings measured at amortised cost                                    | 715.50                  | -                        | 715.50              |
| <b>As at 31 March 2018</b>   | <b>1,303,852.96</b>     | <b>157,810.87</b>        | <b>1,461,663.83</b> |

The accompanying notes are integral part of the consolidated financial statements (refer note 1-53).

This is the consolidated cash flow statement referred to in our report of even date.

For Walker Chandio & Co. LLP  
Chartered Accountants

per Neeraj Goel  
Partner

Place: New Delhi  
Date: 18 May 2018

For and on behalf of the Board of Directors

Rajiv Rattan  
Chairman  
DIN: 00010849

Jayant Kawale  
Managing Director  
DIN: 00076038

Samir Taneja  
Chief Financial Officer

Gaurav Toshkhani  
Company Secretary

## 1. Corporate Information

### Nature of Operations

RattanIndia Power Limited (formerly known as Indiabulls Power Limited.) (the 'Parent Company' or 'RPL') along with its subsidiaries (together referred to as the 'Group') is principally engaged in the business of dealing in power generation, distribution, trading and transmission and other ancillary and incidental activities.

The Parent Company is in process of setting up a Thermal Power Project at Amravati ("Amravati Project", "the Project") in the State of Maharashtra in two phases of 1,350 MW each, with an ultimate capacity of 2,700 MW. Upon COD of the Company's Amravati Power Project - Unit-I (Phase-I) on 03 June 2013, Unit-II (Phase-I) on 28 March 2014, Unit-III (Phase-I) on 02 February 2015, Unit-IV (Phase-I) on 07 March 2015 and Unit-V (Phase-I) on 13 March 2015, the Plant & equipment and Building - plants of respective units were capitalised on respective CODs.

During the financial year 2014-15 pursuant to the announcements on restructuring of the promoters' inter-se roles, there had been declassifications in respect of certain Promoters/ Promoter Company Entities/ Persons Acting in Concert with Promoters (PACs) of the Parent Company, as was intimated by the Parent Company to NSE and BSE (the Stock Exchanges) on 18 July 2014 and 28 October 2014 respectively.

Pursuant to an understanding arrived at between the erstwhile promoters of the Indiabulls group namely, Mr. Sameer Gehlaut, Mr. Saurabh Mittal and Mr. Rajiv Rattan, during the financial year 2014-2015, Mr. Sameer Gehlaut and Mr. Saurabh Mittal relinquished the ownership rights, management and control as also the supervision of the Power Business. Accordingly Mr. Sameer Gehlaut and Mr. Saurabh Mittal transferred their direct and indirect shareholding in power group entities to Mr. Rajiv Rattan and the entities owned and promoted by him pursuant to an inter-se transfer and subsequently resigned from their directorships and chairmanship/ vice chairmanship of the Power Business respectively. Thus the ownership, management and control of the Power Business and its supervision rights came to vest with Mr. Rajiv Rattan who also assumed the Chairmanship of the Power Business.

During the financial year 2014-15, in accordance with the provisions of Section 13 and other applicable provisions of the Companies Act, 2013, the members of the Parent Company through postal ballot declared on 16 October 2014, accorded their approval to change the name of the Parent Company from Indiabulls Power Limited. to RattanIndia Power Limited. The Company received fresh certificate of incorporation consequent upon change of name from the Registrar of Companies, Delhi dated 30 October 2014 in respect of the said change.

### General information and statement of compliance with Ind AS

The consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards as notified under section 133 of the Companies Act 2013 read with the Companies [Indian Accounting Standards ("Ind AS")] Rules 2015 (by Ministry of Corporate Affairs ('MCA')). The Group has uniformly applied the accounting policies during the periods presented.

The consolidated financial statements for the year ended 31 March 2018 were approved by the Board of Directors on 18 May 2018.

## 2. Recent accounting pronouncements

### Notification of Ind AS 115:

The new standard provides a control-based revenue recognition model and provides a five step application principle to be followed for revenue recognition:

- a. Identify the contract(s) with a customer;
- b. Identify the performance obligations;
- c. Determine the transaction price;
- d. Allocate the transaction price to the performance obligations;
- e. Recognize revenue when or as an entity satisfies performance obligation.

The Group does not have its impact on the financial statements.

# Notes to the Consolidated Financial Statements (Contd.)

of RattanIndia Power Limited (Formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

## Insertion of Appendix B to Ind AS 21:

This Appendix applies to a foreign currency transaction (or part of it) when an entity recognizes a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration before the entity recognizes the related asset, expense or income (or part of it). The amendment to Ind AS 21 requires the entities to consider exchange rate on the date of initial recognition of advance consideration (asset/liability), for recognising related expense/income on the settlement of said asset/liability.

This Appendix does not apply when an entity measures the related asset, expense or income on initial recognition:

- a. At fair value; or
- b. At the fair value of the consideration paid or received at a date other than the date of initial recognition of the non-monetary asset or non-monetary liability arising from advance consideration.

An entity is not required to apply this Appendix to:

- a. income taxes; or
- b. insurance contracts (including reinsurance contracts) that it issues or reinsurance contracts that it holds.

The Group does not have its impact on the financial statements.

## Amendment to Ind AS 12

The amendment to Ind AS 12 requires the entities to consider restriction in tax laws in sources of taxable profit against which entity may make deductions on reversal of deductible temporary difference (may or may not have arisen from same source) and also consider probable future taxable profit.

The Group does not have its impact on the financial statements.

## 3. Summary of significant accounting policies

### a) Overall consideration

The consolidated financial statements have been prepared using the significant accounting policies and measurement basis as summarised below. These were used throughout all periods presented in the financial statements, except where the Group has applied certain accounting policies and exemptions upon transition to Ind AS.

### Basis of preparation

The consolidated financial statements have been prepared on going concern basis under the historical cost basis except for the following –

- Certain financial assets and liabilities which are measured at fair value;
- Defined benefit plans – liability of which is recognised as per actuarial valuation; and
- Share based payments which are measured at fair value of the options

## Principles of consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the Parent Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

## **b) Revenue recognition**

Revenue arises from the supply of power. Revenue is recognised when it is probable that the economic benefits will flow to the Group and it can be reliably measured. Revenue is measured at the fair value of the consideration received/receivable net of rebates and taxes. The Group applies the revenue recognition criteria to each separately identifiable component of the sales transaction as set out below.

### *Revenue from operation and maintenance of power plant and transmission assets*

Revenue from operation of plant is recognised on transfer of significant risks and rewards of ownership of the output of the plant to the buyer which is when delivered, and measured on an accrual basis based on the rates in accordance with the provisions of the Power Purchase Agreements (PPAs) entered into by the Group with the procurer/s of power. Claims for delayed payment charges and other claims are accounted by the Group on accrual basis in accordance with the provisions of the PPAs only when it is reasonable to expect ultimate collection. Sales exclude Sales tax and Value Added Tax, where applicable. Revenue from Power generated during trial runs is accounted on the basis of accruals and is reduced from the cost of the plant.

Refer policy on leased assets for accounting policy of customer contracts that contain a lease.

### *Service income*

Revenue from Power Consultancy/ Advisory Services is recognised when services are rendered.

### *Interest income*

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

### *Dividend income*

Dividend income is recognised at the time when right to receive the payment is established, which is generally when the shareholders approve the dividend.

## **c) Borrowing costs**

Borrowing costs include interest and amortisation of ancillary costs incurred to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction/ development of the qualifying asset up to the date of capitalisation of such asset are added to the cost of the assets. Any income earned on the temporary deployment/ investment of those borrowings is deducted from the borrowing costs so incurred. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use.

## **d) Property, plant and equipment**

### *Recognition and initial measurement*

Properties plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Any expenditure directly/ indirectly related and attributable to the construction of power projects and incidental to setting up power project facilities, incurred prior to the Commercial Operation Date (COD) of the Power Project, are accumulated under "Capital work-in-progress", to be capitalised on completion of construction of the respective power projects/ COD.

### *Subsequent measurement (depreciation and useful lives)*

Depreciation on property, plant and equipment is provided on the straight-line method, computed on the basis of useful lives prescribed in Schedule II to the Companies Act, 2013:

# Notes to the Consolidated Financial Statements (Contd.)

of RattanIndia Power Limited (Formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

Properties plant and equipment acquired and put to use for the purpose of the Project are capitalised and depreciation thereon is included in capital work-in-progress till the Project is ready for its intended use.

The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

## *De-recognition*

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

## *Transition to Ind AS*

On transition to Ind AS, the Group has elected to continue with the carrying value of all its property, plant and equipment recognised as at 1 April 2015 measured as per the provisions of Previous GAAP and use that carrying value as the deemed cost of property, plant and equipment.

## **e) Intangible assets**

### *Recognition and initial measurement*

Intangible assets are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

### *Subsequent measurement (amortisation)*

The cost of capitalized software is amortized over a period in the range of three to five years from the date of its acquisition.

### *Transition to Ind AS*

On transition to Ind AS, the Group has elected to continue with the carrying value of all its intangible assets recognised as at 1 April 2015 measured as per the provisions of Previous GAAP and use that carrying value as the deemed cost of intangible assets.

## **f) Leased assets**

### *Determining whether an arrangement contains a lease*

The Group has certain long term arrangements for sale of power. Such arrangements are evaluated to consider whether it contains a lease. It is considered to contain a lease if based on the substance of the arrangement:

- (i) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and
- (ii) the arrangement conveys a right to use the asset.

An arrangement is considered to contain a lease if facts and circumstances indicate that it is remote that one or more parties other than the purchaser will take more than an insignificant amount of the output or other utility that will be produced or generated by the asset during the term of the arrangement, and the price that the purchaser will pay for the output is neither contractually fixed per unit of output nor equal to the current market price per unit of output as of the time of delivery of the output.

### **Group as a lessee**

#### *Finance leases*

Finance leases, which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments under such leases are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalised.

If there is no reasonable certainty that the Group will obtain the ownership by the end of lease term, capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

## *Operating leases*

Assets acquired on leases where a significant portion of risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rental are charged to statement of profit and loss on straightline basis except where scheduled increase in rent compensates the lessor for expected inflationary costs.

## **Group as a lessor**

### *Finance leases*

Leases which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item are classified and accounted for as finance lease. Lease rental receipts are apportioned between the finance income and capital repayment based on the implicit rate of return. Contingent rents are recognised as revenue in the period in which they are earned.

### *Operating leases*

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. The respective leased assets are included in the balance sheet based on their nature. Rental income is recognized on straightline basis over the lease term except where scheduled increase in rent compensates the Group with expected inflationary costs.

## **g) Impairment of non-financial assets**

At each reporting date, the Group assesses whether there is any indication based on internal/ external factors, that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

## **h) Financial instruments**

### *Initial recognition and measurement*

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, unless the financial instrument is designated to be measured at fair value through profit or loss or fair value through other comprehensive income.

### **Financial assets**

#### *Subsequent measurement*

- i. Financial assets at amortised cost – the financial assets are measured at the amortised cost if both the following conditions are met:
  - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
  - Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. All other debt instruments are measured at Fair Value through other comprehensive income or Fair value through profit and loss based on Group's business model. All investment in mutual funds in scope of Ind-AS 109 are measured at fair value through profit and loss (FVTPL).

#### *De-recognition of financial assets*

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

# Notes to the Consolidated Financial Statements (Contd.)

of RattanIndia Power Limited (Formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

## Financial liabilities

### *Subsequent measurement*

Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method. These liabilities include borrowings and deposits.

### *De-recognition of financial liabilities*

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

## Derivative contracts

A derivative contract is recognised as an asset or a liability on the commitment date. Outstanding derivative contracts as at reporting date are fair valued and recognised as financial asset/ financial liability, with the resultant gain/ (loss) being recognised in statement of profit and loss.

## Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### i) Impairment of financial assets

In accordance with Ind-AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets carried at amortised cost.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. When estimating the cash flows, the Group considers:

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

### *Trade receivables*

The Group applies simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of receivables.

### *Other financial assets*

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, life time impairment loss is provided otherwise provides for 12 month expected credit losses.

### j) Inventories

Inventories are valued at the lower of cost derived on weighted average basis and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of consumption, including octroi and other levies, transit insurance and receiving charges.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated necessary cost to make the sale.

### k) Income taxes

Tax expense recognised in statement of profit and loss comprises the sum of deferred tax and current tax not recognised in OCI or directly in equity.



Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961 and in the overseas branches/ companies as per the respective tax laws. Current income tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss in OCI or equity depending upon the treatment of underlying item.

Deferred income taxes are calculated using the liability method. Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss, unused tax credits or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss in OCI or equity depending upon the treatment of underlying item.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the Group is able to control the timing of reversal of temporary differences and it is probable that the differences will not be reversed in the foreseeable future.

## **l) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, demand deposits with banks/ corporations and short-term highly liquid investments (original maturity less than 3 months) that are readily convertible into known amount of cash and are subject to an insignificant risk of change in value.

## **m) Post-employment, long term and short term employee benefits**

### *Defined contribution plans*

The Group makes contribution to the statutory provident fund in accordance with the Employees Provident Fund and Miscellaneous Provision Act, 1952 which is a defined contribution plan and contribution paid or payable is recognised as an expense in the period in which the services are rendered.

### *Defined benefit plans*

Gratuity is post-employment benefit and is in the nature of a defined benefit plan. The liability recognised in the financial statements in respect of gratuity is the present value of the defined benefit obligation at the reporting date together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated at or near the reporting date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the statement of OCI in the year in which such gains or losses are determined.

### *Other long-term employee benefits*

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to statement of profit and loss in the year in which such gains or losses are determined.

### *Short-term employee benefits*

Expense in respect of other short term benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

# Notes to the Consolidated Financial Statements (Contd.)

of RattanIndia Power Limited (Formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

## n) Share based payments

The Company has formulated Employee Stock Option Schemes (ESOS) and Employee Stock Purchase Schemes (ESOP) in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and are in compliance with the said guidelines and SEBI (Share Based Employee Benefits) Regulation, 2014. The Schemes provide for grant of options to employees of the Company and its subsidiaries to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period.

### *Employee stock Purchase plan (ESOP)*

The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in statement of profit and loss, with a corresponding adjustment to equity.

### *Transition to Ind AS*

On transition to Ind AS, the Group has elected to not consider the charge related to employee stock options for which the vesting period is already over.

## o) Provisions, contingent assets and contingent liabilities

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

### *Contingent liability is disclosed for:*

- Possible obligations which will be confirmed only by future events not wholly within the control of the Group or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised. However, when inflow of economic benefit is probable, related asset is disclosed.

## p) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## q) Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures.

### *Significant management judgements*

The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the financial statements:

**Determining whether an arrangement contains a lease** – Whether an arrangement contains a lease depends on whether purchaser will take more than an insignificant amount of the output or other utility that will be produced or generated by the asset during the term of the arrangement.

**Recognition of deferred tax assets** – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized. In

addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties under the relevant tax jurisdiction (see note 8).

**Evaluation of indicators for impairment of assets** – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

**Classification of leases** – The Group enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

**Recoverability of advances/ receivables** – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

**Defined benefit obligation (DBO)** – Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

**Fair value measurements** – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

**Provisions** – At each balance sheet date on the basis of the management judgment, changes in facts and legal aspects, the Group assesses the requirement of provisions. However the actual future outcome may be different from this judgement.

## Significant estimates

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be different.

**Classification of leases** – The classification of the leasing arrangement as a finance lease or operating lease requires several estimates like present value of unguaranteed residual value and present value of minimum lease payments.

## Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow ("DCF") model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group.

## Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

## Useful lives of depreciable/ amortisable assets

Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software and other plant and equipment.

# Notes to the Consolidated Financial Statements (Contd.)

of RattanIndia Power Limited (Formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

## 4. Property, plant and equipment

| Particulars                        | Freehold land    | Leasehold land   | Buildings - Plant | Buildings - Other | Plant and equipment | Furniture and fixtures | Vehicles        | Office equipment | Computers     | Tools & tackles | Ships        | Leasehold improvement | Railways         | Total               |
|------------------------------------|------------------|------------------|-------------------|-------------------|---------------------|------------------------|-----------------|------------------|---------------|-----------------|--------------|-----------------------|------------------|---------------------|
| <b>Gross carrying amount</b>       |                  |                  |                   |                   |                     |                        |                 |                  |               |                 |              |                       |                  |                     |
| Balance as on 1 April 2016         | 21,359.55        | 25,576.07        | 28,691.41         | 11.73             | 852,399.96          | 629.52                 | 1,980.02        | 502.47           | 411.43        | 22.47           | 41.04        | 915.98                | 44,976.04        | 977,467.69          |
| Additions                          | -                | -                | 8,396.66          | -                 | 162,813.18          | 0.76                   | 2.51            | 23.13            | 18.65         | 14.13           | -            | -                     | 6,880.56         | 178,149.58          |
| Disposals/ adjustments             | -                | -                | -                 | -                 | 3.85                | 7.18                   | 1.31            | 7.86             | 1.71          | -               | -            | 56.25                 | -                | 78.16               |
| <b>Balance as on 31 March 2017</b> | <b>21,359.55</b> | <b>25,576.07</b> | <b>37,088.07</b>  | <b>11.73</b>      | <b>1,015,209.29</b> | <b>623.10</b>          | <b>1,981.22</b> | <b>517.74</b>    | <b>428.37</b> | <b>36.60</b>    | <b>41.04</b> | <b>859.73</b>         | <b>51,806.60</b> | <b>1,155,539.11</b> |
| Additions                          | -                | -                | 8,283.87          | -                 | 448,536.97          | 96.90                  | 1.31            | 28.00            | 61.97         | 18.05           | -            | -                     | 4,851.51         | 461,878.58          |
| Disposals/ adjustments             | 8.72             | -                | -                 | -                 | -                   | 1.66                   | 154.78          | 8.08             | 3.00          | 0.15            | -            | -                     | -                | 176.39              |
| <b>Balance as on 31 March 2018</b> | <b>21,350.83</b> | <b>25,576.07</b> | <b>45,371.94</b>  | <b>11.73</b>      | <b>1,463,746.26</b> | <b>718.34</b>          | <b>1,827.75</b> | <b>537.67</b>    | <b>487.34</b> | <b>54.50</b>    | <b>41.04</b> | <b>859.73</b>         | <b>56,658.11</b> | <b>1,617,241.30</b> |
| <b>Accumulated Depreciation</b>    |                  |                  |                   |                   |                     |                        |                 |                  |               |                 |              |                       |                  |                     |
| Balance as on 1 April 2016         | -                | 1,325.16         | 1,801.21          | 1.71              | 43,287.35           | 249.19                 | 1,042.62        | 314.64           | 299.45        | 7.15            | 20.28        | 33.63                 | 2,590.80         | 50,973.19           |
| Additions                          | -                | 274.60           | 1,045.80          | 0.43              | 20,488.07           | 62.02                  | 284.25          | 69.40            | 36.80         | 8.02            | 5.33         | 102.13                | 3,076.51         | 25,453.36           |
| Disposals/ adjustments             | -                | -                | -                 | -                 | 1.89                | 6.06                   | 1.14            | 7.86             | 1.41          | -               | -            | 24.57                 | -                | 42.93               |
| <b>Balance as on 31 March 2017</b> | <b>-</b>         | <b>1,599.76</b>  | <b>2,847.01</b>   | <b>2.14</b>       | <b>63,773.53</b>    | <b>305.15</b>          | <b>1,325.73</b> | <b>376.18</b>    | <b>334.84</b> | <b>15.17</b>    | <b>25.61</b> | <b>111.19</b>         | <b>5,667.31</b>  | <b>76,383.62</b>    |
| Additions                          | -                | 274.60           | 2,352.37          | 0.19              | 32,582.21           | 74.80                  | 246.16          | 62.63            | 36.07         | 16.55           | 5.33         | 95.53                 | 4,222.30         | 39,968.74           |
| Disposals/ adjustments             | -                | -                | -                 | -                 | -                   | 1.40                   | 149.62          | 7.86             | 2.91          | 0.10            | -            | -                     | -                | 161.89              |
| <b>Balance as on 31 March 2018</b> | <b>-</b>         | <b>1,874.36</b>  | <b>5,199.38</b>   | <b>2.33</b>       | <b>96,355.74</b>    | <b>378.56</b>          | <b>1,422.27</b> | <b>430.95</b>    | <b>368.00</b> | <b>31.62</b>    | <b>30.94</b> | <b>206.72</b>         | <b>9,889.61</b>  | <b>116,190.47</b>   |
| <b>Net carrying amount</b>         |                  |                  |                   |                   |                     |                        |                 |                  |               |                 |              |                       |                  |                     |
| Balance as on 31 March 2017        | 21,359.55        | 23,976.31        | 34,241.06         | 9.59              | 951,435.76          | 317.95                 | 655.49          | 141.56           | 93.53         | 21.43           | 15.43        | 748.54                | 46,139.29        | 1,079,155.49        |
| Balance as on 31 March 2018        | 21,350.83        | 23,701.71        | 40,172.56         | 9.40              | 1,367,390.52        | 339.78                 | 405.48          | 106.72           | 119.34        | 22.88           | 10.10        | 653.01                | 46,768.50        | 1,501,050.83        |

## 5. Intangible assets

| (Amount in ₹ Lakhs)                |               |              |               |
|------------------------------------|---------------|--------------|---------------|
| Particulars                        | Software      | Goodwill     | Total         |
| <b>Gross carrying amount</b>       |               |              |               |
| Balance as on 1 April 2016         | 716.88        | 31.23        | 748.11        |
| Additions                          | 24.19         | -            | 24.19         |
| Disposals/ adjustments             | -             | -            | -             |
| <b>Balance as on 31 March 2017</b> | <b>741.07</b> | <b>31.23</b> | <b>772.30</b> |
| Additions                          | 12.14         | -            | 12.14         |
| Disposals/ adjustments             | -             | -            | -             |
| <b>Balance as on 31 March 2018</b> | <b>753.21</b> | <b>31.23</b> | <b>784.44</b> |
| <b>Accumulated amortisation</b>    |               |              |               |
| Balance as on 1 April 2016         | 476.35        | -            | 476.35        |
| Additions                          | 136.98        | -            | 136.98        |
| Disposals/ adjustments             | -             | -            | -             |
| <b>Balance as on 31 March 2017</b> | <b>613.33</b> | <b>-</b>     | <b>613.33</b> |
| Additions                          | 93.40         | -            | 93.40         |
| Disposals/ adjustments             | -             | -            | -             |
| <b>Balance as on 31 March 2018</b> | <b>706.73</b> | <b>-</b>     | <b>706.73</b> |
| <b>Net carrying amount</b>         |               |              |               |
| Balance as on 31 March 2017        | 127.74        | 31.23        | 158.97        |
| <b>Balance as on 31 March 2018</b> | <b>46.48</b>  | <b>31.23</b> | <b>77.71</b>  |

## 6. Loans (Unsecured, considered good)

| (Amount in ₹ Lakhs)      |                    |                 |                 |
|--------------------------|--------------------|-----------------|-----------------|
|                          | 31 March 2018      | 31 March 2017   |                 |
|                          | <b>Non-current</b> |                 | <b>Current</b>  |
| Security deposits:       |                    |                 |                 |
| Premises                 | 183.87             | 168.87          | 323.25          |
| Others                   | 1,359.93           | 1,383.15        | 106.04          |
| Loans to:                |                    |                 |                 |
| Employees                | -                  | -               | 6.86            |
| Inter corporate deposits | -                  | -               | 1,314.87        |
|                          | <b>1,543.80</b>    | <b>1,552.02</b> | <b>1,751.02</b> |

## 7. Other financial assets

| (Amount in ₹ Lakhs)                                     |                    |                  |                  |
|---|--------------------|------------------|------------------|
|   | 31 March 2018      | 31 March 2017    |                  |
|   | <b>Non-current</b> |                  | <b>Current</b>   |
| Unbilled revenue  | -                  | -                | 21,395.90        |
| Accrued income  | -                  | -                | 267.80           |
| Bank deposits for original maturity more than 12 months | 4,226.18           | 4,948.35         | -                |
| Finance lease receivable                                | -                  | 26,436.25        | -                |
| Advances recoverable                                    |                    |                  |                  |
| Employees   | -                  | -                | 8.36             |
|   | <b>4,226.18</b>    | <b>31,384.60</b> | <b>21,672.06</b> |

Deposits are pledged against bank guarantees, refer note 32 B(III)(1).

# Notes to the Consolidated Financial Statements (Contd.)

of RattanIndia Power Limited (Formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

|  |  | (Amount in ₹ Lakhs) |                     |
|--|--|---------------------|---------------------|
|  |  | 31 March 2018       | 31 March 2017       |
| <b>8. Deferred tax (liabilities)/ assets (net)</b>               |  |                     |                     |
| <b>Tax effect of items constituting deferred tax liabilities</b> |  |                     |                     |
|  |  | <b>Non-current</b>  |                     |
| Property, plant and equipment                                    |  | (298,751.13)        | (150,271.56)        |
| Borrowings   |  | (3,566.51)          | (2,393.70)          |
| Investments in preference shares                                 |  | (437.73)            | (374.67)            |
| Retention money  |  | (2,321.94)          | (1,169.01)          |
|  |  | <b>(305,077.31)</b> | <b>(154,208.94)</b> |
| <b>Tax effect of items constituting deferred tax assets</b>      |  |                     |                     |
| Employee benefit obligations                                     |  | 373.34              | 365.59              |
| Capital work-in-progress   |  | 2,696.94            | 1,851.08            |
| Employee stock options   |  | 7.68                | 20.92               |
| Lease equalisation reserve                                       |  | 23,832.19           | 15,800.00           |
| Security deposits  |  | 6.65                | 5.06                |
| Unabsorbed depreciation and brought business losses              |  | 278,160.51          | 132,625.91          |
| Tax credit (minimum alternative tax)                             |  | 0.65                | 1,677.67            |
|  |  | <b>305,077.96</b>   | <b>152,346.23</b>   |
| <b>Deferred tax assets (net)</b>                                 |  | <b>0.65</b>         | <b>1,677.67</b>     |
| <b>Deferred tax liabilities (net)</b>                            |  | <b>-</b>            | <b>(3,540.38)</b>   |

|  | (Amount in ₹ Lakhs)       |                                 |                           |                           |
|--|---------------------------|---------------------------------|---------------------------|---------------------------|
| Movement in deferred tax assets/ (liabilities)                   | As at<br>31 March<br>2017 | Recognized in<br>profit or loss | Disposal of<br>subsidiary | As at<br>31 March<br>2018 |
| <b>Tax effect of items constituting deferred tax liabilities</b> |                           |                                 |                           |                           |
| Property, plant and equipment                                    | (150,271.56)              | (153,056.09)                    | 4,576.52                  | (298,751.13)              |
| Borrowings   | (2,393.70)                | (1,207.99)                      | 35.18                     | (3,566.51)                |
| Investments in preference shares                                 | (374.67)                  | (63.06)                         | -                         | (437.73)                  |
| Retention money  | (1,169.01)                | (1,152.93)                      | -                         | (2,321.94)                |
|  | <b>(154,208.94)</b>       | <b>(155,480.07)</b>             | <b>4,611.70</b>           | <b>(305,077.31)</b>       |
| <b>Tax effect of items constituting deferred tax assets</b>      |                           |                                 |                           |                           |
| Employee benefit obligations                                     | 365.59                    | 13.81                           | (6.06)                    | 373.34                    |
| Capital work-in-progress   | 1,851.08                  | 845.86                          | -                         | 2,696.94                  |
| Employee stock options   | 20.92                     | (13.24)                         | -                         | 7.68                      |
| Lease equalisation reserve                                       | 15,800.00                 | 8,032.19                        | -                         | 23,832.19                 |
| Security deposits  | 5.06                      | 1.59                            | -                         | 6.65                      |
| Unabsorbed Depreciation and brought business losses              | 132,625.91                | 146,599.86                      | (1,065.26)                | 278,160.51                |
| Tax credit (minimum alternative tax)                             | 1,677.67                  | (1,262.99)                      | (414.03)                  | 0.65                      |
|  | <b>152,346.23</b>         | <b>154,217.08</b>               | <b>(1,485.35)</b>         | <b>305,077.96</b>         |
| <b>Deferred tax assets (net)</b>                                 | <b>1,677.67</b>           | <b>(1,262.99)</b>               | <b>(414.03)</b>           | <b>0.65</b>               |
| <b>Deferred tax liabilities (net)</b>                            | <b>(3,540.38)</b>         | <b>-</b>                        | <b>3,540.38</b>           | <b>-</b>                  |

# Notes to the Consolidated Financial Statements (Contd.)

**RattanIndia**

of RattanIndia Power Limited (Formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

|  | (Amount in ₹ Lakhs)   |                                    |                           |
|--|-----------------------|------------------------------------|---------------------------|
| Movement in deferred tax assets/ (liabilities)                   | As at<br>1 April 2016 | Recognized<br>in profit or<br>loss | As at<br>31 March<br>2017 |
| <b>Tax effect of items constituting deferred tax liabilities</b> |                       |                                    |                           |
| Property, plant and equipment                                    | (114,803.21)          | (35,468.35)                        | - (150,271.56)            |
| Borrowings   | (2,244.98)            | (148.72)                           | - (2,393.70)              |
| Investments in preference shares                                 | (317.20)              | (57.47)                            | - (374.67)                |
| Retention money  | (1,468.92)            | 299.91                             | - (1,169.01)              |
|  | <b>(118,834.31)</b>   | <b>(35,374.63)</b>                 | <b>- (154,208.94)</b>     |
| <b>Tax effect of items constituting deferred tax assets</b>      |                       |                                    |                           |
| Employee benefit obligations                                     | 115.20                | 250.39                             | - 365.59                  |
| Capital work-in-progress   | 2,178.56              | (327.48)                           | - 1,851.08                |
| Employee stock options   | 20.06                 | 0.86                               | - 20.92                   |
| Lease equalisation reserve                                       | 7,767.80              | 8,032.20                           | - 15,800.00               |
| Security deposits  | 2.99                  | 2.07                               | - 5.06                    |
| Derivatives  | 14.41                 | (14.41)                            | - -                       |
| Unabsorbed Depreciation and brought business losses              | 105,813.00            | 26,812.91                          | - 132,625.91              |
| Tax credit (minimum alternative tax)                             | 1,185.84              | 491.83                             | - 1,677.67                |
|  | <b>117,097.86</b>     | <b>35,248.37</b>                   | <b>- 152,346.23</b>       |
| <b>Deferred tax assets (net)*</b>                                | <b>1,185.84</b>       | <b>491.83</b>                      | <b>- 1,677.67</b>         |
| <b>Deferred tax liabilities (net)</b>                            | <b>(2,922.29)</b>     | <b>(618.09)</b>                    | <b>- (3,540.38)</b>       |

The Group has restricted the recognition of deferred tax asset on unabsorbed depreciation and brought forward business losses to the extent of the corresponding deferred tax liability. The unabsorbed business losses are of ₹ 188,933.95 Lakhs are available for offset for maximum period of eight years from the incurrence of loss.

\*MAT credit recognized amounting to ₹ 491.83 lakhs during the year is adjusted with current tax expenses in statement of profit and loss.

|                                       | (Amount in ₹ Lakhs) |                 |               |               |
|---------------------------------------|---------------------|-----------------|---------------|---------------|
| 9. Tax assets (net)                   | 31 March 2018       | 31 March 2017   | 31 March 2018 | 31 March 2017 |
|                                       | Non-current         |                 | Current       |               |
| Advance income tax (net of provision) | 4,574.25            | 4,351.00        | 37.89         | 31.57         |
|                                       | <b>4,574.25</b>     | <b>4,351.00</b> | <b>37.89</b>  | <b>31.57</b>  |

|  | (Amount in ₹ Lakhs) |                   |                  |                  |
|--|---------------------|-------------------|------------------|------------------|
| 10. Other assets (Unsecured considered good) | 31 March 2018       | 31 March 2017     | 31 March 2018    | 31 March 2017    |
|  | Non-current         |                   | Current          |                  |
| Capital advances                             | 108,916.88          | 126,455.23        | -                | -                |
| Other advances                               | -                   | -                 | 90,235.67        | 89,044.21        |
| Prepaid expenses                             | 951.51              | 1,316.06          | 1,310.22         | 829.47           |
| Balances with statutory authorities          | 4,771.69            | 3,918.56          | 0.89             | 49.44            |
|  | <b>114,640.08</b>   | <b>131,689.85</b> | <b>91,546.78</b> | <b>89,923.12</b> |



# Notes to the Consolidated Financial Statements (Contd.)

of RattanIndia Power Limited (Formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

## 11. Inventories

(Valued at cost, unless otherwise stated)

Coal - Stores<sup>(i)</sup>

Light diesel oil - stores<sup>(ii)</sup>

Stores and spares<sup>(iii)</sup>

Other consumables<sup>(iv)</sup>

| (Amount in ₹ Lakhs) |                 |
|---------------------|-----------------|
| 31 March 2018       | 31 March 2017   |
| 12,346.37           | 7,367.13        |
| 1,057.55            | 939.94          |
| 36.88               | 13.03           |
| 1,858.72            | 17.51           |
| <b>15,299.52</b>    | <b>8,337.61</b> |

(i) Coal - stores includes in transit ₹ 2,831.44 lakhs (31 March 2017: ₹ 219.67 lakhs).

(ii) Light diesel oil - stores includes in transit Nil (31 March 2017: ₹ 3.20 lakhs).

(iii) Stores and spares - includes in transit ₹ 11.66 lakhs (31 March 2017: ₹ 108.66 lakhs).

(iv) Other consumables - includes in transit Nil (31 March 2017: ₹ 34.15 lakhs).

## 12. Current investments (Unquoted, non-trade)

Investments in mutual funds

Aggregate amount of book value and market value of quoted investments

Aggregate amount of unquoted investments

Aggregate amount of impairment in value of investments

| (Amount in ₹ Lakhs) |                 |
|---------------------|-----------------|
| 31 March 2018       | 31 March 2017   |
| 1,007.02            | 7,000.00        |
| <b>1,007.02</b>     | <b>7,000.00</b> |
| -                   | -               |
| 1,007.02            | 7,000.00        |
| -                   | -               |

## 13. Trade receivables (Unsecured, considered good unless otherwise stated)

Considered good

| (Amount in ₹ Lakhs) |                  |
|---------------------|------------------|
| 31 March 2018       | 31 March 2017    |
| 132,714.59          | 79,158.80        |
| <b>132,714.59</b>   | <b>79,158.80</b> |

## 14. Cash and cash equivalents

Cash on hand

Balances with banks

Current accounts

Deposits with original maturity of less than 3 months

| (Amount in ₹ Lakhs) |                  |
|---------------------|------------------|
| 31 March 2018       | 31 March 2017    |
| 15.82               | 38.32            |
| 12,768.47           | 6,906.83         |
| 2,130.10            | 20,685.92        |
| <b>14,914.39</b>    | <b>27,631.07</b> |

Deposits are pledged against bank guarantees, refer note 32 B(III)(1).

## 15. Other bank balances

Fixed deposits original maturity for more than 3 months but less than 12 months

| (Amount in ₹ Lakhs) |                 |
|---------------------|-----------------|
| 31 March 2018       | 31 March 2017   |
| 3,651.45            | 3,385.00        |
| <b>3,651.45</b>     | <b>3,385.00</b> |

Deposits are pledged against bank guarantees, refer note 32 B(III)(1).

# Notes to the Consolidated Financial Statements (Contd.)

**RattanIndia**

of RattanIndia Power Limited (Formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

|  |  | (Amount in ₹ Lakhs) |                   |
|--|--|---------------------|-------------------|
|  |  | 31 March 2018       | 31 March 2017     |
| <b>16. Equity share capital</b>  |  |                     |                   |
| <b>Authorised capital</b>  |  |                     |                   |
| 5,000,000,000 (31 March 2017: 5,000,000,000) equity shares of ₹10 each               |  | 500,000.00          | 500,000.00        |
|  |  | <b>500,000.00</b>   | <b>500,000.00</b> |
| <b>Issued, subscribed and fully paid up capital</b>                                  |  |                     |                   |
| 2,952,933,353 (31 March 2017: 2,952,933,353) equity shares of ₹10 each fully paid up |  | 295,293.34          | 295,293.34        |
| Less: Treasury shares*   |  | 750.00              | 10,750.00         |
|  |  | <b>294,543.34</b>   | <b>284,543.34</b> |

**a) Reconciliation of equity shares outstanding at the beginning and at the end of the year.**

|   |  | (Amount in ₹ Lakhs)  |                    |
|---|--|----------------------|--------------------|
|   |  | 31 March 2018        | 31 March 2017      |
|   |  | No of shares         | Amounts in ₹ lakhs |
| Equity shares at the beginning of the year  |  | 2,952,933,353        | 295,293.34         |
| Add : Issued during the year                |  | -                    | -                  |
| <b>Equity shares at the end of the year</b> |  | <b>2,952,933,353</b> | <b>295,293.34</b>  |
| Less: Treasury shares*                      |  | 7,500,000            | 750.00             |
|   |  | <b>2,945,433,353</b> | <b>294,543.34</b>  |

\* These treasury shares are held by IPL - PPSL Scheme Trust.

**b) Rights/restrictions attached to equity shares**

The Parent Company has only one class of equity shares with voting rights, having a par value of ₹ 10 per share. Each shareholder of equity shares is entitled to one vote per share held. Each share is entitled to dividend, if declared, in Indian Rupees. The dividend, if any, proposed by Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in the case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the Shareholders.

|   |  | (Amount in ₹ Lakhs) |               |
|---|--|---------------------|---------------|
|   |  | 31 March 2018       | 31 March 2017 |
| <b>c) Shares held by company having substantial interest</b>                                    |  |                     |               |
| <b>RattanIndia Infrastructure Limited</b>   |  |                     |               |
| <b>(Formerly known as Indiabulls Infrastructure and Power Limited)</b>                          |  |                     |               |
| 1,185,000,000 (1,185,000,000 shares as on March 31, 2017) equity shares of ₹ 10 each fully paid |  | 118,500.00          | 118,500.00    |

**d) Details of shareholders holding more than 5% shares in the Company**

|  | As at 31 March 2018 |           | As at 31 March 2017 |           |
|--|---------------------|-----------|---------------------|-----------|
|  | No of shares        | % Holding | No of shares        | % Holding |
| <b>Equity shares of ₹ 10 each fully paid up</b>  |                     |           |                     |           |
| RattanIndia Infrastructure Limited (formerly known as Indiabulls Infrastructure and Power Limited) | 1,185,000,000       | 40.13%    | 1,185,000,000       | 40.13%    |
| RR Infralands Private Limited  | 405,000,000         | 13.72%    | 405,000,000         | 13.72%    |
| FIM Limited  | 393,273,458         | 13.32%    | 393,273,458         | 13.32%    |
| Indiabulls Real Estate Limited   | 219,050,000         | 7.42%     | 219,050,000         | 7.42%     |

# Notes to the Consolidated Financial Statements (Contd.)

of RattanIndia Power Limited (Formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

## e) Aggregate number of shares reserved for issuance under stock option plans of the Company

|   | 31 March 2018 | 31 March 2017 |
|---|---------------|---------------|
| RPL ESOP- 2008 (Formerly known as SPCL – IPSL ESOP, 2008) | 895,800       | 994,800       |
| RPL ESOS 2009 (Formerly known as IPL ESOS 2009)           | 294,000       | 694,400       |
| RPL ESOS 2011 (Formerly known as IPL ESOS - 2011)         | 205,000       | 432,500       |

(Amount in ₹ Lakhs)

| 17. Other Equity   | 31 March 2018       | 31 March 2017       |
|--|---------------------|---------------------|
| <b>Retained earnings</b>   |                     |                     |
| Opening balance  | (185,246.91)        | (119,324.25)        |
| Add : Net loss for the year  | (166,318.74)        | (63,030.93)         |
| Items of other comprehensive income recognised directly in retained earnings |                     |                     |
| Re-measurement of post-employment benefit obligation, net of tax             | 990.46              | (2,895.61)          |
| Employee's stock options lapsed (refer note 35)                              | 25.75               | 3.88                |
| <b>Closing balance</b>   | <b>(350,549.44)</b> | <b>(185,246.91)</b> |
| <b>Capital reserve</b>   |                     |                     |
| Opening balance  | 26,826.43           | 26,826.43           |
| Disposal of treasury shares (IPL- PPSL Scheme Trust)                         | (2,210.46)          | -                   |
| <b>Closing balance</b>   | <b>24,615.97</b>    | <b>26,826.43</b>    |
| <b>Securities premium reserve</b>  |                     |                     |
| Opening balance  | 255,772.26          | 255,772.26          |
| Add : Additions during the year  | -                   | -                   |
| <b>Closing balance</b>   | <b>255,772.26</b>   | <b>255,772.26</b>   |
| <b>Employee stock option reserve</b>   |                     |                     |
| Opening balance  | 86.91               | 47.18               |
| Employee's stock options vested (refer note 35)                              | -                   | 43.61               |
| Employee's stock options lapsed (refer note 35)                              | (25.75)             | (3.88)              |
| Other adjustments  | (34.22)             | -                   |
| <b>Closing balance</b>   | <b>26.94</b>        | <b>86.91</b>        |
| <b>Foreign currency translation reserve</b>                                  |                     |                     |
| Opening balance  | 24,891.21           | 26,910.43           |
| Add: Effect of translating the foreign operations                            | 539.79              | (2,019.22)          |
| <b>Closing balance</b>   | <b>25,431.00</b>    | <b>24,891.21</b>    |
|  | <b>(44,703.27)</b>  | <b>122,329.90</b>   |

## Nature and purpose of other reserves

### Capital reserve

Capital reserve is created out of the capital profits. It is created out of the profits from some specific transactions of capital nature. Capital reserve is not available for the distribution to the shareholders.

## Securities premium reserve

Securities premium reserve represents premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act.

## Employee's stock options reserve

The reserve account is used to recognise the grant date value of options issued to employees under Employee stock option plan.

## Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

| 18. Borrowings                            | (Amount in ₹ Lakhs) |                     |                   |                  |
|---|---------------------|---------------------|-------------------|------------------|
|   | 31 March 2018       | 31 March 2017       | 31 March 2018     | 31 March 2017    |
|   | Non-current         |                     | Current           |                  |
| <b>Secured</b>                            |                     |                     |                   |                  |
| <b>Term loans</b>                         |                     |                     |                   |                  |
| From consortium of banks                  | 363,094.16          | 399,853.39          | 72,239.75         | 33,013.60        |
| From consortium of financial institutions | 743,542.26          | 795,142.01          | 109,308.82        | 53,629.80        |
| From other banks                          | -                   | 16,950.00           | 15,545.82         | 6,500.00         |
| Vehicle loan                              | 98.41               | 122.15              | 23.74             | 21.58            |
| <b>Unsecured</b>                          |                     |                     |                   |                  |
| Maturities of finance lease obligations   | 1,466.27            | 1,466.28            | 185.97            | 185.97           |
|   | <b>1,108,201.10</b> | <b>1,213,533.83</b> | <b>197,304.10</b> | <b>93,350.95</b> |

## (i) For Amravati Project

- Loans from Consortium of Banks aggregating to ₹ 295,261.99 lakhs (31 March 2017: ₹ 299,026.32 lakhs) & from Financial Institutions aggregating to ₹ 270,335.49 lakhs (31 March 2017: ₹ 277,057.67 lakhs) are secured by way of first mortgage and charge on all immovable and movable assets, both present and future, of the Amravati Project. The aforesaid Phase I Loan Facility is further secured by the pledge of 1,181,173,342 (31 March 2017: 1,181,173,342) equity shares (40% of the total equity share capital) of the Company held by RattanIndia Infrastructure Limited ("RIL") (formerly known as Indiabulls Infrastructure and Power Limited) and RR Infralands Private Limited through execution of a Deed of Pledge amongst RIL and RR Infralands Private Limited (Pledgers), Company and Vistra (ITCL) India Limited (Formerly known as IL&FS Trust Company Limited) (IDBI Trusteeship Services Limited upto 26 March 2015) with a condition that these pledged shares must constitute 60% of the Project Equity Capital in favour of Power Finance Corporation Limited (PFC) - the lead consortium lender. Also, disbursements against cost overrun underwritten portion is secured by a pledge of 219,050,000 (31 March 2017: 219,050,000) equity shares held by Indiabulls Real Estate Limited in the Company. Additionally, the Company is required for negative lien on 11% equity shares in the Company with a condition that effective voting rights of the shares pledged and over which a negative lien is created in aggregate does not fall below 51% of the Equity share capital.
- Loan from IDBI Bank aggregating of ₹ 13,750.00 lakhs (31 March 2017: ₹ 13,750.00 lakhs) is secured by way of hypothecation of movable fixed assets, both present and future, of the Amravati Project Phase II. The aforesaid Phase II Loan Facility is further secured by pledge of 30,000,000 (31 March 2017: 30,000,000) equity shares of the Company held by RR Infralands Private Limited.
- Financial assistance to meet the funding requirement for Capital Expenditure and Long Term Working Capital requirements from ICICI Bank aggregating to ₹ 1,795.82 lakhs (31 March 2017: ₹ ₹ 9,700.00 lakhs) is secured by way of pledge of Nil (31 March 2017: 100,000,000) equity shares of the Company held by RR Infralands Private Limited.

## Notes to the Consolidated Financial Statements (Contd.)

of RattanIndia Power Limited (Formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

(d) Term loan from consortium of banks and financial institutions are repayable in quarterly installments as follows:

| Financial year | (Amount in ₹ Lakhs)    |                   |                   |                        |                   |                   |
|----------------|------------------------|-------------------|-------------------|------------------------|-------------------|-------------------|
|                | 31 March 2018          |                   |                   | 31 March 2017          |                   |                   |
|                | Financial institutions | Banks             | Total             | Financial institutions | Banks             | Total             |
| 2017-18        |                        |                   |                   | 29,153.00              | 22,886.00         | 52,039.00         |
| 2018-19        | 30,734.00              | 28,402.00         | 59,136.00         | 30,734.00              | 28,402.00         | 59,136.00         |
| 2019-20        | 30,771.00              | 32,946.00         | 63,717.00         | 30,771.00              | 32,946.00         | 63,717.00         |
| 2020-21        | 23,479.00              | 18,444.00         | 41,923.00         | 23,479.00              | 18,444.00         | 41,923.00         |
| 2021-22        | 16,182.00              | 10,085.00         | 26,267.00         | 16,182.00              | 10,085.00         | 26,267.00         |
| 2022-23        | 15,547.00              | 13,869.00         | 29,416.00         | 15,547.00              | 13,869.00         | 29,416.00         |
| 2023-24        | 15,384.00              | 15,344.00         | 30,728.00         | 15,384.00              | 15,344.00         | 30,728.00         |
| 2024-25        | 14,002.00              | 9,769.00          | 23,771.00         | 14,002.00              | 9,769.00          | 23,771.00         |
| 2025-26        | 8,809.00               | 1,266.00          | 10,075.00         | 8,809.00               | 1,266.00          | 10,075.00         |
| 2026-27        | 9,048.00               | 2,367.00          | 11,415.00         | 9,048.00               | 2,367.00          | 11,415.00         |
| 2027-28        | 12,339.00              | 6,140.00          | 18,479.00         | 12,339.00              | 6,140.00          | 18,479.00         |
| 2028-29        | 15,510.00              | 9,318.00          | 24,828.00         | 15,510.00              | 9,318.00          | 24,828.00         |
| 2029-30        | 18,846.00              | 12,499.00         | 31,345.00         | 18,846.00              | 12,499.00         | 31,345.00         |
| 2030-31        | 11,104.00              | 12,724.00         | 23,828.00         | 11,104.00              | 12,724.00         | 23,828.00         |
| 2031-32        | 4,349.00               | 18,634.00         | 22,983.00         | 4,349.00               | 18,634.00         | 22,983.00         |
| 2032-33        | 4,744.00               | 19,084.00         | 23,828.00         | 4,744.00               | 19,084.00         | 23,828.00         |
| 2033-34        | 5,929.00               | 24,998.00         | 30,927.00         | 5,929.00               | 24,998.00         | 30,927.00         |
| 2034-35        | 6,324.00               | 25,448.00         | 31,772.00         | 6,324.00               | 25,448.00         | 31,772.00         |
| 2035-36        | 4,623.00               | 13,993.00         | 18,616.00         | 4,623.00               | 13,993.00         | 18,616.00         |
|                | <b>247,724.00</b>      | <b>275,330.00</b> | <b>523,054.00</b> | <b>276,877.00</b>      | <b>298,216.00</b> | <b>575,093.00</b> |

(e) Term loan from other bank is repayable in quarterly installments as follows:

| Financial Year | (Amount in ₹ Lakhs) |                  |
|----------------|---------------------|------------------|
|                | 31 March 2018       | 31 March 2017    |
| 2017-18        | -                   | 6,500.00         |
| 2018-19        | 9,950.00            | 9,950.00         |
| 2019-20        | 1,600.00            | 1,600.00         |
| 2020-21        | 1,600.00            | 1,600.00         |
| 2021-22        | 1,800.00            | 1,800.00         |
| 2022-23        | 2,000.00            | 2,000.00         |
| <b>Total</b>   | <b>16,950.00</b>    | <b>23,450.00</b> |

(f) The above mentioned loans from consortium of banks and financial institutions carry floating rates of interest ranging from 12.65% p.a. to 14.00% p.a. (31 March 2017: from 12.90% p.a. to 15.00% p.a.) and the term loan from other banks carries a floating rate of interest of 11.45% p.a. to 16% p.a. (31 March 2017: floating rate of interest 11.45% p.a. to 16% p.a.).

- (g) The company has defaulted in repayment of principal and interest in respect of loans from bank and financial institutions as mentioned below:

| Particulars                             | (Amount in ₹ Lakhs) |            |             |
|---|---------------------|------------|-------------|
|   | 0-3 Months          | 3-6 Months | 6-12 Months |
| <b>Consortium Financial Institution</b> |                     |            |             |
| - Principal                             | 7,535.00            | 7,339.00   | 8,327.30    |
| - Interest                              | 10,908.35           | 9,027.63   | 9,640.61    |
| <b>Consortium banks</b>                 |                     |            |             |
| - Principal                             | 6,362.00            | 6,138.00   | 9,557.56    |
| - Interest                              | 12,104.76           | 9,617.76   | 15,298.86   |
| <b>Other banks</b>                      |                     |            |             |
| - Principal                             | 1,250.00            | 1,250.00   | 2,500.00    |
| - Interest                              | 607.96              | 604.86     | 1,289.97    |

- (h) Monthly installment of ₹ 13.66 lakhs till 31 August 2103 and ₹ 2.82 lakhs till 30 April 2110 in respect of lease lands (refer note 38).

## (ii) For Nashik Project

- (a) Loans from consortium of banks aggregating to ₹ 140,071.92 Lakhs (31 March 2017: ₹ 133,840.67 Lakhs ) and from financial institutions aggregating to ₹ 567,546.94 Lakhs (31 March 2017: ₹ 553,374.91 Lakhs ) are secured by way of first mortgage and charge on all immovable and movable assets, both present and future, of the Nashik project phase I. The aforesaid phase I loans are further secured by pledge of 20,864,880 (31 March 2017 : 20,864,880) equity shares of the Company (as per underwritten and consolidated facility agreement dated 21 November 2016 stipulated requirement of pledge of 77% of the equity share capital of the Company) and the cost-overrun 2 of the phase I loans are secured by pledge of 5,574,105 (31 March 2017 the cost-overrun 1 of the phase I loans are secured by pledge of 5,574,105 ) equity shares of the Company through execution of a pledge agreement with RattanIndia Power Limited (Formerly known as Indiabulls Power Limited.) (RPL), the holding Company, RPL has pledged its 26,438,985 (31 March 2017: 26,438,985) equity shares of the company for term loans, which is 82.68% (31 March 2017: 97.57%) of the total share capital of the company. Also, the bank guarantee facility availed by the Company are secured by pledge of 658,261 (31 March 2017 : 658,261) equity shares of the Company in favor of Axis Bank Limited.

- (b) Term loan from consortium of banks and financial institutions are repayable in quarterly installments as follows:

| Financial year | (Amount in ₹ Lakhs)    |                   |                   |                        |                   |                   |
|----------------|------------------------|-------------------|-------------------|------------------------|-------------------|-------------------|
|                | 31 March 2018          |                   |                   | 31 March 2017          |                   |                   |
|                | Financial institutions | Banks             | Total             | Financial institutions | Banks             | Total             |
| 2017-18        |                        |                   |                   | 22,244.73              | 7,396.55          | 29,641.28         |
| 2018-19        | 35,129                 | 14,793            | 49,922            | 38,449.78              | 14,793.10         | 53,242.88         |
| 2019-20        | 39,029                 | 14,793            | 53,822            | 41,970.40              | 14,793.10         | 56,763.50         |
| 2020-21        | 41,853                 | 14,793            | 56,646            | 44,519.82              | 14,793.10         | 59,312.92         |
| 2021-22        | 44,644                 | 14,793            | 59,437            | 47,038.88              | 14,793.10         | 61,831.98         |
| 2022-23        | 48,578                 | 14,793            | 63,371            | 50,589.86              | 14,793.10         | 65,382.96         |
| 2023-24        | 41,846                 | 14,793            | 56,639            | 44,513.14              | 14,793.10         | 59,306.24         |
| 2024-25        | 41,846                 | 14,793            | 56,639            | 44,513.14              | 14,793.10         | 59,306.24         |
| 2025-26        | 41,846                 | 14,793            | 56,639            | 44,513.14              | 14,793.10         | 59,306.24         |
| 2026-27        | 41,846                 | 14,793            | 56,639            | 44,513.14              | 14,793.10         | 59,306.24         |
| 2027-28        | 41,846                 | 7,397             | 49,243            | 42,919.94              | 7,396.55          | 50,316.49         |
| 2028-29        | 41,846                 | -                 | 41,846            | 41,326.74              | -                 | 41,326.74         |
| 2029-30        | 32,132                 | -                 | 32,132            | 30,781.82              | -                 | 30,781.82         |
| 2030-31        | 22,418                 | -                 | 22,418            | 20,236.91              | -                 | 20,236.91         |
| 2031-32        | 22,418                 | -                 | 22,418            | 20,236.91              | -                 | 20,236.91         |
| 2032-33        | 11,162                 | -                 | 11,162            | 10,075.65              | -                 | 10,075.65         |
|                | <b>548,439.55</b>      | <b>140,534.45</b> | <b>688,974.00</b> | <b>588,444.00</b>      | <b>147,931.00</b> | <b>736,375.00</b> |

## Notes to the Consolidated Financial Statements (Contd.)

of RattanIndia Power Limited (Formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

- (c) The above mentioned loans from consortium of banks and financial institutions carry floating rates of interest ranging from 12.85% p.a. to 14.50% p.a. (31 March 2017: 12.85% p.a. to 15.40% p.a.).
- (d) The Company has defaulted in repayment of principal and interest in respect of loans from bank and financial institutions as mentioned below:

| Particulars                             | (Amount in ₹ Lakhs) |            |             |           |
|---|---------------------|------------|-------------|-----------|
|   | 0-3 Months          | 3-6 Months | 6-12 Months | Total     |
| <b>Consortium Financial Institution</b> |                     |            |             |           |
| - Principal                             | 10,454.94           | 10,454.94  | -           | 20,909.88 |
| - Interest                              | 24,771.29           | 20,444.58  | 23,384.62   | 68,600.48 |
| <b>Consortium Banks</b>                 |                     |            |             |           |
| - Principal                             | 3,698.28            | 3,698.28   | -           | 7,396.55  |
| - Interest                              | 5,501.21            | 4,674.32   | 6,127.40    | 16,302.93 |

### (iii) For Sinnar Power Transmission Company Limited

- a) Common Rupee Term Loan from Power Finance Corporation Limited is secured by way of mortgage and charge on all immovable properties relating to project, both present and future and is repayable to Public Finance Corporation Limited in 48 equal quarterly installments of ₹ 316.06 lakhs each commencing from 15 July 2020 and ending on 15 April 2032.
- (b) Term loan from financial institutions are repayable in quarterly installments as follows:

| Financial Year | (Amount in ₹ Lakhs)           |
|----------------|-------------------------------|
|                | 2017-18                       |
|                | <b>Financial institutions</b> |
| 2018-19        | -                             |
| 2019-20        | -                             |
| 2020-21        | 947.44                        |
| 2021-22        | 1,262.74                      |
| 2022-23        | 1,262.74                      |
| 2023-24        | 1,262.74                      |
| 2024-25        | 1,262.74                      |
| 2025-26        | 1,262.74                      |
| 2026-27        | 1,262.74                      |
| 2027-28        | 1,262.74                      |
| 2028-29        | 1,262.74                      |
| 2029-30        | 1,262.74                      |
| 2030-31        | 1,262.74                      |
| 2031-32        | 1,262.74                      |
| 2032-33        | 321.37                        |
|                | <b>15,159.00</b>              |



# Notes to the Consolidated Financial Statements (Contd.)

**RattanIndia**

of RattanIndia Power Limited (Formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

| 19. Other financial liabilities                       | (Amount in ₹ Lakhs) |                  |                   |                   |
|---|---------------------|------------------|-------------------|-------------------|
|   | 31 March 2018       | 31 March 2017    | 31 March 2018     | 31 March 2017     |
|   | Non-current         |                  | Current           |                   |
| Retention money                                       | 14,191.31           | 12,495.17        | 59,099.49         | 57,501.43         |
| Lease equalisation reserve                            | 103.81              | 121.60           | -                 | -                 |
| Current maturities of                                 |                     |                  |                   |                   |
| Term loan from consortium of banks                    | -                   | -                | 72,239.75         | 33,013.60         |
| Term loan from consortium of financial institutions   | -                   | -                | 109,308.82        | 53,629.80         |
| Term loan from other bank                             | -                   | -                | 15,545.82         | 6,500.00          |
| Vehicle loan  | -                   | -                | 23.74             | 21.58             |
| Finance lease obligations                             | -                   | -                | 185.97            | 185.97            |
| Interest accrued on                                   |                     |                  |                   |                   |
| Term loans  | -                   | -                | 172,865.21        | 31,160.95         |
| Cash credit facility                                  | -                   | -                | 8,827.99          | 181.33            |
| Payable for purchase of property, plant and equipment | -                   | -                | 46,522.76         | 36,991.22         |
| Security and earnest money deposits from customers    | -                   | -                | 66.74             | 55.74             |
| Due to employees                                      | -                   | -                | 1.49              | 0.30              |
| Expenses payable                                      | -                   | -                | 17,334.52         | 18,786.39         |
| Other payables  | 107.08              | 107.08           | -                 | -                 |
|   | <b>14,402.20</b>    | <b>12,723.85</b> | <b>502,022.30</b> | <b>238,028.31</b> |

| 20. Provisions   | (Amount in ₹ Lakhs) |                  |                 |                 |
|--|---------------------|------------------|-----------------|-----------------|
|  | 31 March 2018       | 31 March 2017    | 31 March 2018   | 31 March 2017   |
|  | Non-current         |                  | Current         |                 |
| <b>Provision for employee benefits (refer note 36)</b> |                     |                  |                 |                 |
| Provision for compensated absences (unfunded)          | 647.25              | 673.92           | 56.89           | 45.06           |
| Provision for gratuity (unfunded)                      | 613.16              | 610.30           | 110.17          | 62.03           |
| Provision for superannuation (unfunded)                | 15,078.99           | 14,045.63        | -               | -               |
| <b>Provision for others</b>                            |                     |                  |                 |                 |
| Provision for compensation payable                     | -                   | -                | 5,172.52        | 2,751.50        |
|  | <b>16,339.40</b>    | <b>15,329.85</b> | <b>5,339.58</b> | <b>2,858.59</b> |

Provision for penalty due to non supply of upto 80% contract capacity under power purchase agreement.

## Movement in provision for others

| Liquidated damages      | (Amount in ₹ Lakhs) |                 |
|-------------------------|---------------------|-----------------|
|                         | 31 March 2018       | 31 March 2017   |
|                         |                     |                 |
| As at 31 March 2017     | 2,751.50            | 2,751.50        |
| Accrued during the year | 2,421.02            | -               |
| As at 31 March 2018     | <b>5,172.52</b>     | <b>2,751.50</b> |

# Notes to the Consolidated Financial Statements (Contd.)

of RattanIndia Power Limited (Formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

| 21. Other liabilities      | (Amount in ₹ Lakhs) |                  |                  |                 |
|----------------------------|---------------------|------------------|------------------|-----------------|
|                            | 31 March 2018       | 31 March 2017    | 31 March 2018    | 31 March 2017   |
|                            | Non-current         |                  | Current          |                 |
| Advance from customers     | 3,130.00            | 3,130.00         | 8,644.08         | 8,741.34        |
| Lease equalisation reserve | 64,715.57           | 45,631.42        | -                | -               |
| Statutory dues             | -                   | -                | 1,862.45         | 1,018.58        |
|                            | <b>67,845.57</b>    | <b>48,761.42</b> | <b>10,506.53</b> | <b>9,759.92</b> |

| 22. Borrowings (Short-term)                               | (Amount in ₹ Lakhs) |                   |
|---|---------------------|-------------------|
|   | 31 March 2018       | 31 March 2017     |
| <b>Secured</b>  |                     |                   |
| Cash credit facility from banks ((i) & (iv))              | 75,687.44           | 74,318.16         |
| Short-term loans :  |                     |                   |
| From consortium of financial institutions ((ii) & (iv))   | 15,500.00           | 15,500.00         |
| Loans from related parties inter corporate deposits (iii) | 66,623.43           | -                 |
| <b>Unsecured</b>  |                     |                   |
| <b>Loans from related parties</b>                         |                     |                   |
| Inter corporate deposits (v)                              | -                   | 73,524.43         |
|   | <b>157,810.87</b>   | <b>163,342.59</b> |

- (i) The facilities are secured by hypothecation charges on all movables & immovable assets, present and future, of the project under implementation by way of first charge ranking pari passu.
- (ii) Short term loan facility from financial institution - Power Finance Corporation Limited is secured by pari passu charge over the Holding Company's movable assets relating to the Project (current & fixed) including movable plant, machinery, equipments, machinery spares, tools, accessories, furniture, fixtures, vehicles and all other movable assets, both present and future, the stock of raw materials, semi-finished and finished goods, consumable goods relating to the project site, intangible assets, book debts, operating cash flow, revenue & receivables of the Company relating to the project and all current assets, commissions and any revenue of any nature, trust and retention account, letter of credit, other reserves and any other bank accounts in relation to the project and on all rights, titles, interest, benefits, claims and demands relating to the project.
- (iii) During the year, for the purpose of securing repayment of inter company loan, the Holding Company has pledged 50,000 share of Poena Power Development Limited in favour of lenders of inter company loan.
- (iv) The Company has defaulted in repayment of interest in respect of cash credit facility and short term loan as mentioned below:

| Particulars           | (Amount in ₹ Lakhs) |            |             |
|-----------------------|---------------------|------------|-------------|
|                       | 0-3 Months          | 3-6 Months | 6-12 Months |
| Financial Institution | 569.92              | 492.71     | 498.12      |
| Other banks           | 2,294.78            | 1,861.90   | 3,001.78    |

- (v) There were no continuing defaults in repayment of inter corporate deposits and interest thereon as at 31 March 2018 and 31 March 2017.

## 23. Trade payables

Due to micro and small enterprises (refer note 47)

Due to others

Dues for goods and services- other than acceptances

(Amount in ₹ Lakhs)

| 31 March 2018   | 31 March 2017   |
|-----------------|-----------------|
| -               | -               |
| 4,500.85        | 5,322.94        |
| <b>4,500.85</b> | <b>5,322.94</b> |

## 24. Current tax liabilities (net)

Provision for taxation

(Amount in ₹ Lakhs)

| 31 March 2018 | 31 March 2017 |
|---------------|---------------|
| -             | 447.20        |
| -             | <b>447.20</b> |

# Notes to the Consolidated Financial Statements (Contd.)

of RattanIndia Power Limited (Formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

|   | (Amount in ₹ Lakhs)  |                      |
|---|----------------------|----------------------|
| <b>25. Revenue from operations</b>        | <b>31 March 2018</b> | <b>31 March 2017</b> |
| <b>Operating revenue</b>                  |                      |                      |
| Revenue from operation of power plant     | 140,221.87           | 58,710.09            |
| Income from embedded lease of power plant | 61,316.34            | 74,959.43            |
| Interest on finance lease receivable      | 3,901.10             | 4,907.44             |
| Income from investment advisory services  | -                    | 474.60               |
|   | <b>205,439.31</b>    | <b>139,051.56</b>    |

|   | (Amount in ₹ Lakhs)  |                      |
|---|----------------------|----------------------|
| <b>26. Other income</b>                               | <b>31 March 2018</b> | <b>31 March 2017</b> |
| <b>Income from current investments</b>                |                      |                      |
| Dividend received                                     | 468.57               | 173.24               |
|   | <b>468.57</b>        | <b>173.24</b>        |
| <b>Interest on :</b>                                  |                      |                      |
| Bank deposits   | 648.35               | 543.67               |
| Security deposits                                     | 138.87               | 73.57                |
| Inter corporate deposits                              | 85.71                | 126.60               |
| Overdue trade receivables                             | 13,121.03            | 14,449.57            |
| Tax refund  | 65.24                | 83.78                |
|   | <b>14,059.20</b>     | <b>15,277.19</b>     |
| <b>Other income</b>                                   |                      |                      |
| Profit on sale of investments                         | 65.96                | 7.08                 |
| Unclaimed balances and excess provisions written back | 139.40               | 0.12                 |
| Profit on sale of property, plant and equipment       | 2.20                 | 0.06                 |
| Miscellaneous income                                  | 188.82               | 74.48                |
|   | <b>396.38</b>        | <b>81.74</b>         |
|   | <b>14,924.15</b>     | <b>15,532.17</b>     |

|   | (Amount in ₹ Lakhs)  |                      |
|---|----------------------|----------------------|
| <b>27. Cost of fuel, water and power consumed</b> | <b>31 March 2018</b> | <b>31 March 2017</b> |
| Coal consumed                                     | 116,797.53           | 43,983.60            |
| Electricity consumed                              | 978.54               | 1,917.68             |
| Water consumed                                    | 1,571.09             | 810.87               |
|   | <b>119,347.16</b>    | <b>46,712.15</b>     |

## 28. Employee benefits expense

|   |
|---|
| Salaries and wages  |
| Contribution to provident and other funds                             |
| Provision for gratuity/ compensated absences/ superannuation benefits |
| Staff welfare expenses  |

(Amount in ₹ Lakhs)

| 31 March 2018    | 31 March 2017    |
|------------------|------------------|
| 10,331.65        | 9,561.66         |
| 55.41            | 43.14            |
| 2,234.86         | 1,942.45         |
| 68.21            | 72.62            |
| <b>12,690.13</b> | <b>11,619.87</b> |

## 29. Finance costs

### Interest on

|                          |
|--------------------------|
| Term loans               |
| Inter corporate deposits |
| Cash credit facility     |
| Short-term loan facility |
| Acceptances              |
| Car loans                |
| Others                   |

### Other finance costs

|                          |
|--------------------------|
| Loan processing fees     |
| Letter of credit charges |
| Bank guarantee charges   |
| Other finance charges    |

(Amount in ₹ Lakhs)

| 31 March 2018     | 31 March 2017     |
|-------------------|-------------------|
| 178,494.30        | 106,608.78        |
| 2,874.40          | 4,439.82          |
| 9,779.00          | 8,520.83          |
| 2,152.95          | 2,437.41          |
| -                 | 136.47            |
| 12.82             | 14.79             |
| 66.70             | 57.26             |
| 293.62            | 924.82            |
| 3.94              | 5.34              |
| 721.44            | 623.65            |
| 984.82            | -                 |
| <b>195,383.99</b> | <b>123,769.17</b> |

## 30. Depreciation and amortisation

### Depreciation on

|                               |
|-------------------------------|
| Property, plant and equipment |
|-------------------------------|

### Amortisation on

|                   |
|-------------------|
| Intangible assets |
|-------------------|

(Amount in ₹ Lakhs)

| 31 March 2018    | 31 March 2017    |
|------------------|------------------|
| 39,896.74        | 25,256.96        |
| 76.40            | 94.53            |
| <b>39,973.14</b> | <b>25,351.49</b> |

# Notes to the Consolidated Financial Statements (Contd.)

of RattanIndia Power Limited (Formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

|   | (Amount in ₹ Lakhs) |                 |
|---|---------------------|-----------------|
| 31. Other expenses  | 31 March 2018       | 31 March 2017   |
| Rent  | 525.02              | 426.40          |
| Rates and taxes   | 487.33              | 337.83          |
| Legal and professional charges                                  | 6,169.07            | 862.32          |
| Communication   | 58.89               | 95.04           |
| Printing and stationery   | 41.17               | 38.16           |
| Travelling and conveyance                                       | 310.22              | 310.35          |
| Operation and maintenance expenses                              | 4,403.17            | 4,983.70        |
| Insurance expenses  | 1,597.91            | 720.60          |
| Running and maintenance - vehicles                              | 60.17               | 31.41           |
| Repairs and maintenance   |                     |                 |
| Office  | 189.94              | 244.04          |
| Others  | 147.30              | 93.40           |
| Security expenses   | 631.66              | 379.80          |
| Payments to statutory auditors                                  |                     |                 |
| for audit   | 110.14              | 125.62          |
| reimbursement of expenses                                       | 1.00                | 1.00            |
| Payments to cost auditors                                       | 0.25                | 0.25            |
| Loss on sale of investment                                      | 81.91               | 22.68           |
| Provision for compensation payable                              | 2,421.02            | -               |
| Net loss on foreign currency transactions and translation (net) | 451.10              | 195.44          |
| Miscellaneous expenses  | 253.41              | 656.14          |
|   | <b>17,940.68</b>    | <b>9,524.18</b> |

## 32. Details of contingent liabilities, pending litigations and other matters:

### A. Contingent Liabilities of pending litigations not provided for in respect of:

#### For Parent Company

- The Water Resource Department ('WRD' or 'Respondent') vide their letter dated 29 January 2013 raised a demand of ₹ 23,218 lakhs on Company for payment of irrigation restoration charges @ ₹ 1 lakh per hectare as per Government Resolution (GR) dated 6 March 2009 instead of ₹ 0.50 lakh per hectare as provided in circular from Water Resources Department, Government of Maharashtra dated 21 February 2004. The Company had paid ₹ 11,657 lakhs (@ ₹ 0.50 lakh per hectare) and filed a Writ Petition with the Hon'ble Bombay High Court on 13 February 2013 challenging the validity of demand so raised by WRD. The Mumbai bench of Hon'ble Bombay High Court vide its Order dated 3 August 2015 transferred the matter to the Nagpur Bench. The Nagpur bench vide its order dated 5 May 2016 has partly allowed the petition and declared that demand at revised rate i.e. as per GR dated 6 March 2009 from the petitioner is illegal and unsustainable. As per Nagpur Bench order, the rate prescribed in the GR dated 6 March 2009 is applicable prospectively from 1 April 2009 and is not applicable in case of the Company to whom water allocation was finalized on 12 December 2007.

Pursuant to this, Maharashtra State Government filed a Special Leave Petition ("SPL") before the Hon'ble Supreme Court of India. The Hon'ble Court after hearing parties granted time to the Company to file its Counter Affidavit. The Company is ready with its reply which will be filed on or before next date of hearing which is likely to be listed on 27 August 2018.

- 2 During the year ended 2010-11, the Company entered into a contract with Bharat Heavy Electrical Limited ('BHEL') for erection and supply of certain material for phase II of its power project at Amravati. Subsequent to this contract, BHEL supplied certain materials which were not warranted at that time and there were various communication made by the Company with BHEL to take off these materials from the site. Against this, BHEL initiated arbitration proceeding against the Company, alleging the payment outstanding against the Company in respect of the materials so supplied by them. The Hon'ble High Court also disposed off the petition upon the instruction to the parties that petition before Hon'ble High Court be treated as an application under Section 17 of the Arbitration and Conciliation Act, 1996 before the Arbitral Tribunal. Subsequent to this, BHEL filed the following applications on 14 April 2016 with Arbitral Tribunal:

1. Application under Section 17 of the Arbitration and Conciliation Act, 1996 seeking an interim prayer of release of bank guarantees.
2. Application seeking amendment of the Claim petition.
3. Application under Section 31(6) of the Arbitration and Conciliation Act, 1996 seeking an interim award on the basis of admissions.

On BHEL's application for seeking interim award based on admissions, the tribunal has heard the arguments of both BHEL and the Company and the tribunal has passed an interim award of ₹ 11,500 lakh against the Company vide its order dated 27 July 2017.

A Petition has also been filed by BHEL praying the Hon'ble High Court to issue warrants of attachment/ or auction sale of immovable and movable assets of the Company for realizing the amount payable/due as per the interim award dated 27 July 2017. The matter is listed for hearing post the decision on the validity of the interim award which is slated on 17 July 2018.

The Company filed an appeal against the said interim award on 16 October 2017 with the Hon'ble High Court. Based on the legal appraisal of the case, Company is confident that the matter will be disposed off in their favour.

- 3 Company had developed a railway line track and constructed a boundary wall around the railway yard and power plant at Amravati on the land allotted to the Company by MIDC. In this respect, Mr. Keshav Puranlal Bunde and others ('Plaintiffs') alleged that the approach road to their land has been obstructed and they are unable to access their land for cultivation. A suit for seeking declaration/ injunction for right of way was been filed before the Civil Judge, Senior Division, Amravati by the Plaintiffs against the Company during the year 2015-16. The Company denied the allegations in its written statement and is contesting the suit and the Hon'ble Court also declined the prayer of the Plaintiffs for grant of temporary injunction.

The Plaintiffs then filed a civil appeal with regard to this said matter against the Court's order of declining the prayer of the Plaintiffs for grant of temporary injunction. The matter is now listed for hearing on 16 July 2018.

The pecuniary risk involved in the present case cannot be quantified. Further, based on legal appraisal, the management believes that no liability will not devolve on the Company.

- 4 Company is using various Microsoft programs/ softwares. During the year ended 31 March 2015, Microsoft Corporation alleged that there is shortfall in the entitled software licenses being used by the Company in its offices and thus the Company has infringed copyright in the Microsoft program/software titles. A suit has been filed by Microsoft Corporation before Hon'ble High Court of Delhi on 18 December 2015 against the Company praying for permanent injunction against the Company and further prayed for rendition of accounts of profits and for damages. The matter is currently listed for evidence of the parties. The next date of hearing in the matter is 31 July 2018 before the Ld. Joint Registrar. The pecuniary risk involved in the present case cannot be quantified. Further, based on legal appraisal, the management believes that no liability will not devolve on the Company.
- 5 A vendor had done work for supply, plantation and maintenance of 100,000 trees at the Company's power plant pursuant to work order dated 25 May 2012. The Company terminated the contract vide letter dated 6 February 2014 due to unsatisfactory performance and also claimed liquidated damages from the vendor. On termination of contract by the Company, vendor alleged that the contract was wrongly terminated by the Company, only to avoid outstanding payment. The vendor has filed an Civil Suit on 3.12.2015 before Civil Judge Senior Division, Amravati claiming ₹ 116.25 Lakhs and court fees of ₹ 1.54 Lakhs against the work done. Company has filed an application under section 8 of the Arbitration and conciliation Act for the dismissal of the suit. The matter is now listed for Order. The pecuniary risk involved in the present case cannot be quantified. Based on the legal appraisal of the case, Company is confident that the matter will be disposed off in their favour.

## Notes to the Consolidated Financial Statements (Contd.)

of RattanIndia Power Limited (Formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

- 6 During the year ended 2015-16, Tahsildar of Amravati vide it's order dated 24 February 2016 directed the Company to deposit the amount of ₹ 400 Lakhs towards the payment of royalty for using the minor minerals excavated during the construction of the power plant of the Company and utilized in the embankment work of railway line on the plot of MIDC allotted to the Company. The Company has filed a writ petition before the Nagpur bench of Hon'ble Bombay High Court against the order passed by Tahsildar. The Hon'ble Court vide its Order dated 15 December 2016 has issued a stay in the matter. The pecuniary risk involved in the present case cannot be quantified. Further, based on legal appraisal, the management believes that no liability will not devolve on the Company.
- 7 Becquerel Industries Private Limited has filed a suit for recovery of ₹ 20.73 Lakhs against M/s Preeti Engineering before Civil Court at Nagpur on 15 April 2015 alleging that their dues are pending against M/s Preeti Engineering to whom the Non-Distractive Testing work had been sublet by M/s Brothers Engineering. The work to M/s Brothers Engineering was been sublet by BHEL to whom contract was awarded by the Company. The summon were serviced to M/s Preeti Engineering, M/s Bothers Engineering, BHEL and the Company. The Company has filed its reply and the matter is now listed for hearing. The pecuniary risk involved in the present case cannot be quantified. Further, based on legal appraisal, the management believes that no liability will not devolve on the Company.
- 8 A Suo Moto Public Interest Litigation ('PIL') has been registered before Hon'ble Bombay High Court on 27 August 2014 with regard to the occupation hazards of the employees working in various thermal power plants stations in the country. The Company (due to it's plant at Amravati) has been made a party in the said PIL. The Company has filed its reply before Bombay High Court. One of the parties (Respondent) has filed an Application for Intervention. The matter is listed for hearing in respect to the Application for Intervention along with the PIL. The pecuniary risk involved in the present case cannot be quantified.

### For RattanIndia Nasik Power Limited (RNPL)

- 9 During the year 2010-2011, the Company entered into a contract with Bharat Heavy Electrical Limited ('BHEL') for erection and supply of certain material for phase II of its power project at Nashik. Subsequent to this contract, BHEL supplied certain materials which were not warranted at that time and there were various communication made by the Company with BHEL to take off these materials from the site. Against this, BHEL initiated arbitration proceeding against the Company, alleging the payment outstanding against the Company in respect of the materials so supplied by them. The Hon'ble High Court also disposed off the petition upon the instruction to the parties that petition before Hon'ble High Court be treated as an application under Section 17 of the Arbitration and Conciliation Act, 1996 before the Arbitral Tribunal. Subsequent to this, BHEL filed the following applications on 14 April 2016 with Arbitral Tribunal:
  1. Application under Section 17 of the Arbitration and Conciliation Act, 1996 seeking an interim prayer of release of bank guarantees.
  2. Application seeking amendment of the Claim petition.
  3. Application under Section 31(6) of the Arbitration and Conciliation Act, 1996 seeking an interim award on the basis of admissions.

On BHEL's application for seeking interim award based on admissions, the tribunal has heard the arguments of both BHEL and the Company and the tribunal has passed an interim award of ₹ 6,300 lakh against the Company vide its order dated 27 July 2017.

A Petition has also been filed by BHEL praying the Hon'ble High Court to issue warrants of attachment/ or auction sale of immovable and movable assets of the Company for realizing the amount payable/due as per the Interim award dated 27 July 2017.

The Company filed an appeal against the said interim award on 16 October 2017 with the Hon'ble High Court and based on the legal appraisal of the case, Company is confident that the matter will be disposed off in their favour.

The matter is listed for hearing post the decision on the validity of the interim award which is slated on 17 July 2018.

- 10 The Company has entered into a contract with BHEL for supply of Boiler, Turbine, Generators (BTG) items for Nashik project. The material was supplied by BHEL from its unit in Tamil Nadu during the period 2010-2011. BHEL availed input tax credit against this sale which is rejected by the assessing officer of BHEL and consequently BHEL demanded the said tax amount of ₹ 1,100 lakhs from the Company. The Company rejected the claim by BHEL as the same was for input tax and not on the tax on invoice. Meanwhile during the year 2011-12 Company filed writ



petition before the Hon'ble High Court of Madras during the year 2012 against the recovery of the VAT by BHEL. The matter was listed for hearing and the Hon'ble High Court has issued a notice and had ordered for status quo. The notice for the same has been accepted by the state counsel. The Hon'ble High Court had heard the matter and reserved the order. The pecuniary risk involved in the present case cannot be quantified. Further, based on legal appraisal, the management believes that no liability will not devolve on the Company.

## For Poena Power Development Limited (PPDL)

- 11 A civil suit is filed against PPDL for the inadequacy of compensation given in terms of the award under Land Acquisition Act 1894. Restoration application filed by the petitioner and notice has been issued by Civil Sub Divisional Court, Budhlada, Mansa. The pecuniary risk involved in the present case cannot be quantified.

## B. Contingent Liabilities of Demand pending under the Income Tax Act, 1961 and other not provided for in respect of:

### I Under the Income Tax Act, 1961

- (i) The Parent company received a demand of ₹ 77.38 Lakhs under section 143(3) of the Income Tax Act, 1961 ("IT Act") in respect of the FY 2009-10 for disallowance u/s 14A of the IT Act, against which appeal had been filed by the parent Company during the FY 2015-16 which is pending before ITAT Delhi. The aforesaid demand of ₹ 77.38 Lakhs had been adjusted against refund for the AY 2013-14 by the Income Tax department against which parent Company filed another appeal during the FY 2015-16 which is also pending before ITAT Delhi as at 31 March 2018.
- (ii) Sentia Power Limited received demand pending as on 31 March 2016 under section 143(3) of Income tax act, 1961 for ₹ 289.89 Lakhs (Previous Year: ₹ 289.89 Lakhs) with respect to the F.Y 2010-11 against disallowance U/s 37 of the Income tax act, 1961, against which appeal is pending before CIT (Appeals). The Company has during the year 2015-16 paid ₹ 30.00 Lakhs towards the same under protest.

- II During the year, pursuant to notice received under section 153A/153C of IT Act, the Parent Company and its two subsidiaries i.e. RattanIndia Nasik Power Limited and Elena Power and Infrastructure Limited has revised income tax returns relating to assessment year 2011-12 to 2016-17.

### III Others

- 1 Parent Company has provided Guarantee on behalf of RNPL, a wholly owned subsidiary, towards Commitment Bank Guarantees of ₹ 5,903.79 Lakhs (31 March 2017: ₹ 5,903.79 Lakhs) issued to subsidiaries of Coal India Limited for issuance of Letter of Assurance for supply of coal for RNPL's Nashik Thermal Power Project, partly secured by way of bank lien on fixed deposits of ₹ 442.95 Lakhs (31 March 2017: ₹ 442.95 Lakhs) of the Holding Company and partly by way of bank lien on fixed deposits of ₹ 152.44 Lakhs (31 March 2017: ₹ 152.44 Lakhs) of RNPL.
- 2 Parent Company has provided Guarantee on behalf of RNPL, jointly with RattanIndia Infrastructure Limited (RIL) favoring Axis bank towards credit facility of ₹ 39,783.00 Lakhs. In the event of any default on the part of RNPL in payment/ repayment or any of the monies, guarantors shall ensure that the borrower shall duly and punctually repay the credit facility together with all interest, liquidated damages, premium on prepayment or on redemption, costs, expenses and other monies in accordance with the facility documentation, or in the event of any default on the part of the RNPL to comply with or perform any of the terms, conditions and covenants contained in the facility documentation, the guarantors unconditionally and irrevocably undertakes to pay the bank forthwith on demand without protest or demur and without proof or condition shall, upon demand, forthwith pay to bank all the amounts payable by RNPL under the facility documentation together with interest at 2% above the rate as per Axis Bank sanction terms on the amounts so demanded from them in the event of any delay in making the payment to the bank.
- 3 For the purpose of further disbursement against COR-1 facility and COR-2 sanctioned by Power Finance Corporation (PFC) to RNPL, The Holding Company, RIL, RR Infralands Private Limited (RIPL) and Mr. Rajiv Rattan (Individual promoter) has irrevocably and unconditionally acknowledge, represent, accept, certify undertake declare, confirm and assure :
  - a. to bear cost, if any, arising out of non supply of power to MSEDCL under PPA signed by RNPL in April, 2012 for supply of 650 MW power from the project from their own sources without any recourse to the project assets and lenders.

# Notes to the Consolidated Financial Statements (Contd.)

of RattanIndia Power Limited (Formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

- b. to bear cost/penalties payable, if any, to SPTCL or any other entity, arising due to delay in completion of generation project beyond commissioning of its transmission system, from their own sources without any recourse to project assets and lenders.
- 4 Undertaking provided by the Holding Company on behalf of RNPL, jointly with RIL and RIPL, in favour of Rural Electrification Corporation Limited (REC). Parties to the undertaking irrevocably and unconditionally declare and assure that they shall (jointly and severally), in the event there is shortfall in servicing of the facility including applicable interest, arrange for additional funds from their own resources without any recourse to the project assets/lenders.

Parties to the undertaking irrevocably and unconditionally declare and assure that in the event they fail to fulfill their obligations listed in undertaking document, in the manner and time stipulated therein/in the underwritten and consolidated facility agreement, there would be recourse against the borrower, and it shall be an event of default under the underwritten and consolidated facility agreement and Secured Parties/Lenders may take such other action as may be contemplated thereunder.

Future cash outflows in respect of the above, if any, is determinable only on receipt of judgement/ decision pending with the relevant authorities. The Company does not expect the outcome of the matters stated above to have a material adverse impact on its financial condition, results of operations and cash flows.

The group and its subsidiaries are involved in various legal proceedings and other regulatory matters relating to conduct of its business. In respect of the other claims, the Group believes, these claims do not constitute material litigation matters and with its meritorious defenses, the ultimate disposition in these matters will not have material adverse effect on its Consolidated Financial Statements.

## C. Other pending litigations as on 31 March 2018 are:

### For Parent Company

- 1 The Company is supplying power to Maharashtra State Electricity Distribution Company Limited (MSDCL) based on two power purchase agreements (PPAs) for supply of 1200 MW (450 MW + 750 MW respectively) of power for the period of 25 years. The PPAs were executed based on the fuel supply agreement (FSA) which provided that domestic coal linkages would be available to meet the fuel requirements. However, adequate coal supply was not made available which adversely impacted cost as Company had to source fuel from alternate sources to meet the shortfall of coal supplied under FSA with coal supplier. The Cabinet Committee of Economic Affairs (CCEA) approved mechanism where after Ministry of Coal amended the National Coal Distribution Policy (NCDP) and communicated its decision to allow pass through of the incremental cost of procuring coal from alternative sources to meet the shortfall in supply of domestic coal under coal linkage.

The Company filed a petition before Maharashtra Electricity Regulatory Commission ('MERC' or 'the Commission') in year 2013 for realizing the shortfall in supply under NCDP. MERC vide its Order on 15 July 2014 laid down methodology to recover compensatory fuel charges and vide Order dated 20 August 2014.

On 28 August 2014, the Company filed a review petition before MERC against the Orders dated 15 July 2014 as well as Order dated 20 August 2014 and MSEDCL further filed review petition against the Orders of MERC dated 20 August 2014. The review petition filed by MSEDCL got dismissed vide Order dated 16 July 2015 and the review petition filed by the Company also got dismissed vide Order 30 October 2015.

As at the balance sheet date, the Company has accounted such claim in the books of accounts aggregating to ₹ 28,658.80 Lakhs and related late payment surcharge thereon.

The Company then filed appeals before Appellate Tribunal for Electricity (APTEL) against Orders dated 15 July 2014, 20 August 2014 and 30 October 2015. The said appeals were disposed off by the Hon'ble Tribunal on 4 May 2017, remanding the matters to the Maharashtra Electricity Regulation Commission ('MERC') for fresh adjudication in the light of the direction of the Hon'ble Supreme Court in case of Energy Watchdog and Ors v/s CERC and ors. Dated 11 April 2017. MERC heard the matter on 15 November 2017 and reserved its Order. Subsequent to the balance sheet date, on 3 April 2018, MERC has passed the said Order, whereby MERC principally held that the Company is entitled to compensation and a methodology to recover compensatory fuel charges has been laid down. The Company is in process of challenging the said order as in its view, the order passed by MERC is not fully on the principle of "restoration of the affected party to the same economic position as if the change in law event didn't occur".

Based on the legal opinion received, Company is confident that when an appeal is filed with APTEL, the Hon'ble Tribunal is likely to set out a mechanism for compensation restoring the Company to the same economic position as if such Change in Law has not occurred.

- 2 There has been an increase in cost of power generation owing to increase in various statutory taxes, duties, levies, cess, surcharge etc. Based on various judgements from CERC involving similar situations, management has concluded that these charges are recoverable from MSEDCL under "Change in Law" clause of PPA and during the year the Company has recorded revenue of ₹ 1,439.42 Lakhs (31 March 2017: ₹ 207.09 Lakhs). The Company filed a petition with MERC on 15 June 2016 claiming approval of additional components of costs under change in law. Subsequent to the balance sheet date, MERC has issued order dated 5 April 2018 in this respect.
- 3 During the year 2015-16, Water Resource Department ('WRD') demanded water commitment charges amounting to ₹ 595.72 Lakhs, for water connection being used by the Company. The Company filed a petition before the Nagpur bench of Hon'ble Bombay High Court challenging the said demand of water commitment charges and also sought for refund of ₹ 593.22 Lakhs commitment charges already paid Company to WRD prior to the aforesaid demand. On 14 July 2017, the Hon'ble High Court disposed off the case in Company's favour quashing the demand notice and upholding/ declaring that the amount of ₹ 593.22 Lakhs collected by Irrigation Department, Government of Maharashtra from the Company towards commitment charges up till now, is without any authority of law and therefore, the Company is entitled to get refund of the same along with penal interest. Against this order, WRD filed an SLP before Hon'ble Supreme Court of India. The matter is still sub-judice, however, based on legal appraisal, the management is confident of favourable order.

## For RattanIndia Nasik Power Limited (RNPL)

- 4 Maharashtra State Electricity Distribution Company Limited (MSEDCL) conducted bidding for 2000 MW (+30% / -20%) in august' 2009 wherein EMCO Energy Limited was L1, RattanIndia Power Limited was L2, Adani Power Maharashtra Limited (APML) was L3, the Company was L4 and Wardha Power Company Limited (WPCL) was L5. Subsequently, MSEDCL required 1090 MW additional power and Government of Maharashtra vide letter dated 1 December 2011 gave approval to MSEDCL for procurement of such additional power and directed MSEDCL to obtain Maharashtra Electricity Regulatory Commission (MERC) approval for the same. MERC vide its order dated 27 December 2012 approved the levelised tariff of ₹ 3.42 per kwh for procurement of additional 1090 MW power by MSEDCL from the Company and APML. WPCL filed an appeal before APTEL on 7 March 2013 against the aforesaid order of MERC on the ground that WPCL was not given an opportunity to participate in the process. APTEL vide its order dated 10 February 2015 partly allowed the appeal by WPCL and directed MSEDCL to approach WPCL and Company to seek new offer with respect to quantum to be offered while matching the tariff of Adani. The Company filed a review petition against the order of APTEL dated 10 February 2015 for allowing the appeal by WPCL against the order of MERC which approved the procurement of additional quantum of 650 MW power from the Company. The review petition was dismissed by APTEL vide order dated 18 May 2015. The Company filed appeal before the Hon'ble Supreme Court against the orders dated 10 February 2015 as well as 18 May 2015. The Hon'ble Supreme Court on 24 September 2015 passed order of status quo. Subsequent to the balance sheet date, Hon'ble Supreme Court of India vide order dated 10 May 2018, dismissed the Company's appeals. Pursuant to this order, APTEL's order dated 10 February 2015 comes into force and hence, the Company and WPCL will be making offers for power supply to MSEDCL in terms of the said order of APTEL.
- 5 The Company had entered into a bulk power transmission agreement (BPTA) with Maharashtra State Electricity Transmission Company Limited (MSETCL) dated 4 January 2011 for transmission of power generated from the power plant of the Company at Nashik. The Company filed a petition before Maharashtra Electricity Regulatory Commission to operationalise the aforesaid BPTA and for incremental long term open access as and when the Company enters into long-term arrangements / Power Purchase Agreement for sale of power under the Electricity Act, 2003. The matter has been disposed off vide order dated 20 December 2017 in favour of the Company.
- 6 The Company has developed railway line for the transportation of coal to its Nashik Power Plant of the Company. For the development of railway line, Maharashtra Industrial Development Corporation ('MIDC') has acquired land for the Company in various villages of Nashik District. During the year 2012-13, Mr. Ratan Ranja Matale and Others ("petitioners") filed a Petition before the Hon'ble Bombay High Court against MIDC in which the Company is also a party. Hon'ble Bombay High Court vide its order dated 17 February 2015 dismissed the Writ Petition filed by the petitioners whose land was acquired for Railway Line development. Against the said order of High Court, the petitioners have filed a SLP in Hon'ble Supreme Court on 22 February 2016. The matter is currently listed for final

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of RattanIndia Power Limited (Formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

disposal. The pecuniary risk involved in the present case cannot be quantified. Further, based on legal appraisal, the management believes that no liability will not devolve on the Company.

- 7 During the construction of Phase I of Nashik project, the Company procured power from MSEDCL for development activities and also as start-up power. For this power consumption, MSEDCL charged rates for commercial power instead of industrial power. On 11 November 2016 Company filed an application before Internal Grievance Redressal Cell (IGRC) of MSEDCL to consider the category of the Company as Industrial instead of Commercial. On 28 November 2016, IGRC rejected Company's claim. On 15 December 2016, the Company filed an appeal before Consumer Grievance Redressal Forum (CGRF) against the said order of IGRC. CGRF, vide its order dated 31 January 2017, set aside the Order passed by IGRC and allowed the prayers of the Company. On 14 December 2017, the Company filed a petition under Section 142 and other applicable provisions of the Electricity Act, 2003 read with Regulation 22 of the Maharashtra Electricity Regulatory Commission (Consumer Grievance Redressal Forum & Electricity Ombudsman) Regulations, 2006 seeking enforcement of order dated 31 January 2017 of CGRF and initiation of proceedings under Section 142 of the Electricity Act, 2003. Order was reserved in this matter by MERC vide Daily Order dated 9 January 2018.

Meanwhile, MSEDCL filed writ petition before Hon'ble Bombay High Court challenging the CGRF order. The Company stated therein before High Court that there is no objection if the matter is referred to state commission. Hon'ble High Court disposed of this writ vide order dated 16 January 2018 with direction to the Company to file appropriate petition before the State Commission within 2 weeks, and the State Commission shall adjudicate the matter independently without reference to Orders passed by CGRF/IGRC.

Pursuant to said order of Hon'ble High Court, the Company filed a fresh petition on 30 January 2018 under Section 86(1)(f) read with 129 and 62(6) and other applicable provisions of the Electricity Act, 2003 for seeking directions of Hon'ble Commission for change in consumer category from HT – II Commercial to HT – I Industrial for 12.5MVA start up Power connection and refund / adjustment of additional tariff collected by MSEDCL under wrong category. The aforesaid petition has not been listed before MERC till date.

33. Estimated amount of contracts remaining to be executed on account of capital and other commitments towards the Project not provided for: ₹ 50,342.19 lakhs (31 March 2017: ₹ 1,106,206.9 lakhs) – advances made there against ₹ 1,290.16 lakhs (31 March 2017: ₹ 130,176.68 lakhs).
34. The Parent Company is covered under Section 135 of the Companies Act, 2013 and accordingly constituted a Corporate Social Responsibility Committee of the Board. However, as the Parent Company did not have average net profits based on the immediately preceding three financial years, the Parent Company is not required to spend amounts towards Corporate Social Responsibility in terms of the Companies Act, 2013.

### 35. Employee Stock Options Schemes

The Company has formulated ESOS/ ESOP schemes for applicable/ eligible employees. The schemes so formulated are also applicable to the eligible employees of its subsidiaries and of other companies under common control with the Company. The subsidiaries have adopted the said schemes of the Company which are administered by a Compensation Committee constituted by the Board of Directors of the Company.

#### Stock Option Schemes of Parent Company:

##### RPL ESOP - 2008

On 10 January 2008 the erstwhile IPLSL, had established the IPLSL ESOS Plan, under which, IPLSL was authorised to issue upto 20,000,000 equity settled options at an exercise price of ₹ 10 per option to eligible employees. Employees covered by the plan were granted an option to purchase equity shares of IPLSL subject to the requirements of vesting. A Compensation Committee constituted by the Board of Directors of IPLSL administered the plan. All these options were outstanding as at 1 April 2008.

Pursuant to a Scheme of Amalgamation under Sections 391 to 394 of the Companies Act, 1956, duly approved by the Hon'ble High Court of Delhi at New Delhi vide its order dated 1 September 2008, IPLSL was amalgamated with Sophia Power Company Limited ("SPCL"). With effect from the Appointed Date the IPLSL ESOS Plan was terminated and in lieu, in terms of Clause 14 (c) of the Scheme of Amalgamation, SPCL – IPLSL Employees Stock Option Plan - 2008 ("SPCL – IPLSL ESOP - 2008") was established in SPCL for the outstanding, unvested options for the benefit of the erstwhile IPLSL option holders, on terms and

conditions not less favorable than those provided in the erstwhile IPSL ESOS Plan and taking into account the share exchange ratio i.e. one equity share of SPCL of face value ₹ 10 each for every one equity share of IPSL of face value ₹ 10 each. All the option holders under the IPSL ESOS Plan on the Effective Date were granted options under the SPCL – IPSL ESOP - 2008 in lieu of their cancelled options under the IPSL ESOS Plan. The SPCL – IPSL ESOP - 2008 was treated as a continuation of the IPSL ESOS Plan and all such options were treated outstanding from their respective date of grant under the IPSL ESOS Plan. During the year ended 31 March 2015, pursuant to the name change of the Company from Indiabulls Power Limited. to RattanIndia Power Limited, the name of the ESOP scheme SPCL - IPSL Employees' Stock Option Plan 2008 ("SPCL-IPSL ESOP 2008") was changed to RattanIndia Power Limited Employees' Stock Option Plan 2008 ("RPL ESOP 2008"). These options vest uniformly over a period of 10 years commencing one year after the date of grant.

## RPL ESOS 2009

During the financial year ended 31 March 2010, the Company had established the "Indiabulls Power Limited Employees' Stock Option Scheme 2009" ("IPL ESOS 2009"). The Company had issued 20,000,000 equity settled options at an exercise price of ₹ 14 per option under the IPL ESOS 2009 to eligible employees which gave them the right to subscribe to stock options representing an equal number of equity shares of face value ₹ 10 each of RPL. During the year ended 31 March 2015, pursuant to the name change of the Company from Indiabulls Power Limited. to RattanIndia Power Limited, the name of the ESOS scheme IPL ESOS 2009 was changed to RattanIndia Power Limited Employees' Stock Option Scheme 2009 ("RPL ESOS 2009"). These options vest uniformly over a period of 10 years commencing one year after the date of grant.

## RPL ESOS 2011

During the Financial Year ended 31 March 2012, the Company has established the "Indiabulls Power Limited Employee Stock Option Scheme -2011" ("IPL ESOS -2011"). The Company had issued 50,000,000 equity settled options at an exercise price of ₹ 12 per option equivalent to the fair market value of the equity shares of RPL on the date of grant of option under the IPL ESOS -2011 to the eligible employees of the Company which gave them the right to subscribe an equal number of equity shares of face value of ₹ 10 each of RPL. During the year ended 31 March 2015, pursuant to the name change of the Company from Indiabulls Power Limited. to RattanIndia Power Limited, the name of the ESOS scheme IPL ESOS 2011 was changed to RattanIndia Power Limited Employees' Stock Option Scheme 2011 ("RPL ESOS 2011"). These options vest uniformly over a period of 10 years commencing one year after the date of grant.

The Fair values of the options under the RPL ESOP – 2008, RPL ESOS 2009 and RPL ESOS 2011 is calculated using the binomial pricing model, based on which fair value of RPL ESOS 2009 plan is ₹ 1.00 per option, RPL ESOP - 2008 plan is ₹ 1.58 per option and RPL ESOS 2011 plan is ₹ 1.78 per option as certified by an independent firm of Chartered Accountants.

| Sr. No. | Particulars   | RPL ESOP - 2008          | RPL ESOS 2009        | RPL ESOS 2011             |
|---------|---|--------------------------|----------------------|---------------------------|
|         |   | Grant on 10 January 2008 | Grant on 4 July 2009 | Grant on 7 October 2011   |
| 1       | Exercise price (₹ Per option)                       | ₹ 10.00                  | ₹ 14.00              | ₹ 12.00                   |
| 2       | Expected volatility                                 | 0%                       | 0%                   | 30.48%                    |
| 3       | Expected forfeiture percentage on each vesting date | 5%                       | 5%                   | 0%                        |
| 4       | Option Life   | 1 through 10 years       | 1 through 10 years   | 1 through 10 years        |
| 5       | Expected Dividend Yield                             | 8%                       | 6.50%                | 16.67 % from 2014 onwards |
| 6       | Risk Free rate of Interest                          | 8%                       | 6.50%                | 8.12% to 8.72%            |

# Notes to the Consolidated Financial Statements (Contd.)

of RattanIndia Power Limited (Formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

## Summary of options granted in respect of the RPL ESOP-2008 are as under:

| Particulars                                 | 31 March 2018                                 |                   | 31 March 2017                                 |                   |
|---|---|-------------------|---|-------------------|
|   | Average exercise price per share option (INR) | Number of options | Average exercise price per share option (INR) | Number of options |
| Opening balance                             | 10  | 994,800           | 10  | 1,093,800         |
| Options surrendered/ lapsed during the year | 10  | 99,000            | 10  | 99,000            |
| Closing balance                             | 10  | 895,800           | 10  | 994,800           |
| Vested and exercisable options              |   | <b>895,800</b>    |   | <b>696,600</b>    |

| Particulars   | 31 March 2018 | 31 March 2017 |
|---|---------------|---------------|
| Weighted average remaining contractual life of options outstanding at the end of period | 37 months     | 43 months     |

## Summary of options granted in respect of the RPL ESOS 2009 are as under:

| Particulars                                 | 31 March 2018                                 |                   | 31 March 2017                                 |                   |
|---|---|-------------------|---|-------------------|
|   | Average exercise price per share option (INR) | Number of options | Average exercise price per share option (INR) | Number of options |
| Opening balance                             | 14  | 694,400           | 14  | 815,200           |
| Options surrendered/ lapsed during the year | 14  | 302,800           | 14  | 120,800           |
| Closing balance                             | 14  | 391,600           | 14  | 694,400           |
| Vested and exercisable options              |   | <b>294,000</b>    |   | <b>434,000</b>    |

| Particulars   | 31 March 2018 | 31 March 2017 |
|---|---------------|---------------|
| Weighted average remaining contractual life of options outstanding at the end of period | 38 months     | 38 months     |

## Summary of options granted in respect of the RPL ESOS 2011 are as under:

| Particulars                                 | 31 March 2018                                 |                   | 31 March 2017                                 |                   |
|---|---|-------------------|---|-------------------|
|   | Average exercise price per share option (INR) | Number of options | Average exercise price per share option (INR) | Number of options |
| Opening balance                             | 12  | 432,500           | 12  | 495,000           |
| Options surrendered/ lapsed during the year | 12  | 63,500            | 12  | 62,500            |
| Closing balance                             | 12  | 369,000           | 12  | 432,500           |
| Vested and exercisable options              |   | <b>205,000</b>    |   | <b>205,000</b>    |

| Particulars   | 31 March 2018 | 31 March 2017 |
|---|---------------|---------------|
| Weighted average remaining contractual life of options outstanding at the end of period | 33 months     | 62 months     |

## 36. Employee Benefits

### Defined contribution:

Contributions are made to the Government Provident Fund and Family Pension Fund which cover all regular employees eligible under applicable Acts. Both the eligible employees and the Company make pre-determined contributions to the Provident Fund. The contributions are normally based upon a proportion of the employee's salary. The Company has recognized in the Statement of Profit and Loss an amount of ₹ 38.11 lakhs (31 March 2017: ₹ 35.09 lakhs) and in expenditure during construction ₹ 1.13 lakhs (31 March 2017: ₹ 6.95 lakhs) towards employer's contribution towards Provident Fund.



## Defined benefits:

Provision for unfunded Gratuity payable and Superannuation benefits payable to eligible employees on retirement/ separation is based upon an actuarial valuation as at the year ended 31 March 2018. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. The commitments are actuarially determined using the 'Projected Unit Credit Method' as at the year end. Gains/ losses on changes in actuarial assumptions are accounted for in the other comprehensive income/ Capital work-in-progress, as applicable and as identified by the Management of the Company.

## Other benefits:

Provision for unfunded compensated absences payable to eligible employees on availment/ retirement/ separation is based upon an actuarial valuation as at the year ended 31 March 2018. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. The commitments are actuarially determined using the 'Projected Unit Credit Method' as at the year end. Gains/ losses on changes in actuarial assumptions are accounted for in the Statement of Profit and Loss/ Capital work-in-progress, as applicable and as identified by the Management of the Company.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of Gratuity, Compensated Absences and Superannuation and the amounts recognised in the financial statements for the year ended 31 March 2018:

(Amount in ₹ Lakhs)

| Particulars   | Gratuity       |               | Compensated Absences |               | Superannuation   |                  |
|---|----------------|---------------|----------------------|---------------|------------------|------------------|
|   | (Unfunded)     |               | (Unfunded)           |               | (Unfunded)       |                  |
|   | 31 March 2018  | 31 March 2017 | 31 March 2018        | 31 March 2017 | 31 March 2018    | 31 March 2017    |
| <b>Liability recognised in the Balance sheet:</b>   |                |               |                      |               |                  |                  |
| Present value of obligation as at the beginning of the year   | 672.33         | 572.49        | 718.98               | 609.13        | 14,045.63        | 9,454.38         |
| Current service cost  | 137.43         | 106.03        | 69.53                | 85.99         | 942.60           | 936.51           |
| Interest cost   | 48.42          | 46.21         | 52.66                | 47.59         | 1,068.87         | 756.35           |
| Benefits paid   | (111.21)       | (50.07)       | (46.44)              | (28.48)       | -                | -                |
| Actuarial (gains) / losses  | (11.62)        | (2.33)        | (85.11)              | 4.75          | (978.11)         | 2,898.39         |
| <b>Adjustment</b>   | <b>(12.02)</b> | <b>-</b>      | <b>(5.47)</b>        | <b>-</b>      | <b>-</b>         | <b>-</b>         |
| <b>Present Value of obligation at the end of the year (as per Actuarial valuation)</b>                      | <b>723.33</b>  | <b>672.33</b> | <b>704.14</b>        | <b>718.98</b> | <b>15,078.99</b> | <b>14,045.63</b> |
| <b>Expenses during the year</b>   |                |               |                      |               |                  |                  |
| Current service cost  | 138.93         | 106.03        | 69.81                | 85.99         | 942.60           | 756.35           |
| Interest Cost   | 48.42          | 46.21         | 52.66                | 47.59         | 1,068.87         | 936.51           |
| Actuarial (gains) / losses  | -              | -             | (85.39)              | 4.75          | -                | -                |
| <b>Component of defined benefit cost charged to statement of profit and loss / Capital work-in-progress</b> | <b>187.35</b>  | <b>152.24</b> | <b>37.07</b>         | <b>138.33</b> | <b>2,011.47</b>  | <b>1,692.86</b>  |
| Remeasurement of post-employment benefit obligations:   |                |               |                      |               |                  |                  |
| Actuarial (gains) / losses  | (12.35)        | (2.33)        | -                    | -             | (978.11)         | 2,898.39         |
| <b>Component of defined benefit cost recognised in other comprehensive income</b>                           | <b>(12.35)</b> | <b>(2.33)</b> | <b>-</b>             | <b>-</b>      | <b>(978.11)</b>  | <b>2,898.39</b>  |

# Notes to the Consolidated Financial Statements (Contd.)

of RattanIndia Power Limited (Formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

## Actuarial (gains)/losses on obligation

(Amount in ₹ Lakhs)

| Particulars   | Gratuity (Unfunded) |               | Compensated Absences (Unfunded) |               | Superannuation (Unfunded) |               |
|---|---------------------|---------------|---------------------------------|---------------|---------------------------|---------------|
|   | 31 March 2018       | 31 March 2017 | 31 March 2018                   | 31 March 2017 | 31 March 2018             | 31 March 2017 |
| Actuarial (gain)/loss on arising from change in demographic assumptions | -                   | -             | -                               | -             | -                         | -             |
| Actuarial (gain)/loss on arising from change in financial assumptions   | (6.80)              | 18.59         | (3.36)                          | 25.66         | (190.42)                  | 657.68        |
| Actuarial (gain)/loss on arising from change in experience adjustments  | (4.81)              | (40.11)       | (54.72)                         | (21.42)       | (799.59)                  | 2,240.72      |

The actuarial valuation in respect of commitments and expenses relating to unfunded Gratuity and Compensated absences are based on the following assumptions which if changed, would affect the commitment's size, funding requirements and expenses:

### (a) Economic Assumptions

| Particulars                      | 31 March 2018 | 31 March 2017 |
|----------------------------------|---------------|---------------|
| Discount rate                    | 7.71%         | 7.61%         |
| Expected return on plan assets   | NA            | NA            |
| Expected rate of salary increase | 5.00%         | 5.00%         |

### (b) Demographic Assumptions

| Particulars           | 31 March 2018       | 31 March 2017       |
|-----------------------|---------------------|---------------------|
| Retirement Age        | 60 Years            | 60 Years            |
| Mortality Table       | IALM (2006 - 08)    | IALM (2006 - 08)    |
| Ages                  | Withdrawal Rate (%) | Withdrawal Rate (%) |
| - Upto 30 Years       | 3                   | 3                   |
| - From 31 to 44 Years | 2                   | 2                   |
| - Above 44 Years      | 1                   | 1                   |

### (c) Sensitivity analysis of defined benefit obligation

(Amount in ₹ Lakhs)

| Particulars  | 31 March 2018 | 31 March 2017 |
|--|---------------|---------------|
| <b>a) Impact of the change in discount rate</b>            |               |               |
| i) Impact due to increase of 0.50% (31 March 2017: 0.50%)  | (1,116.88)    | (1,095.55)    |
| ii) Impact due to decrease of 0.50% (31 March 2017: 0.50%) | 1,171.80      | 896.97        |
| <b>b) Impact of the change in salary increase</b>          |               |               |
| i) Impact due to increase of 0.50% (31 March 2017: 0.50%)  | 178.28        | (134.44)      |
| ii) Impact due to decrease of 0.50% (31 March 2017: 0.50%) | (140.07)      | (137.90)      |

Sensitivities due to mortality & withdrawals are not material & hence impact of change not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.



## (d) Maturity profile of defined benefit obligation

| Particulars       | (Amount in ₹ Lakhs) |               |
|-------------------|---------------------|---------------|
|                   | 31 March 2018       | 31 March 2017 |
| Less than 1 year  | 167.00              | 373.63        |
| Year 1 to 5       | 126.63              | 814.19        |
| More than 5 years | 16,191.88           | 14,249.11     |

## 37. Earnings Per Equity Share (EPS):

The basic earnings per equity share is computed by dividing the net profit/ loss after tax attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing the profit/ loss after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per equity share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per equity share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits/ reverse share splits, bonus shares and share warrants and the potential dilutive effect of Employee Stock Options Plans, as appropriate.

| Particulars   | Amount in ₹ Lakhs (except number of shares) |                                  |
|---|---|----------------------------------|
|   | For the year ended 31 March 2018            | For the year ended 31 March 2017 |
| Loss for the year attributable to owners of the company   | (166,318.74)                                | (63,030.93)                      |
| Weighted average number of Shares used in computing Basic earnings per equity share (Number of Shares)    | 2,945,433,353                               | 2,845,433,353                    |
| Add: Effect of number of equity shares on account of Employees Stock option plans of the Company          | -   | -                                |
| Weighted average number of Shares used in computing Diluted earnings per equity share (Number of Shares)* | 2,945,433,353                               | 2,845,433,353                    |
| Face Value per equity share – (₹)   | 10.00                                       | 10.00                            |
| Basic Earnings per equity share – (₹)   | (5.65)                                      | (2.22)                           |
| Diluted Earnings per equity share – (₹)   | (5.65)                                      | (2.22)                           |

\* ESOS and ESOPs which are anti-dilutive have been ignored from earnings per equity share calculation.

38. The Group has taken various premises on operating leases/ leave and license and lease payments recognized in the statement of profit and loss and property, plant and equipment amounting to ₹ 524.03 lakhs and ₹ 7.77 lakhs respectively for the year ended 31 March 2018 (31 March 2017: ₹ 422.99 lakhs for statement of profit and loss and ₹ 180.13 lakhs for property, plant and equipment) in respect of the same. The underlying agreements are executed for a period generally ranging from 11 months to three years, renewable at the option of the Group and are cancellable, by giving a notice generally of 30 to 90 days. An agreement is entered into by the Parent Company for a period of 9 years with non-cancellable period of initial 3 years. There are no restrictions imposed by such leases and there are no subleases. The minimum lease rentals outstanding as at Balance Sheet dates are as under:

| Particulars                           | (Amount in ₹ Lakhs) |               |
|---------------------------------------|---------------------|---------------|
|                                       | 31 March 2018       | 31 March 2017 |
| <b>Minimum lease rentals payables</b> |                     |               |
| Within one year                       | 540.92              | 652.23        |
| One to Five years                     | Nil                 | 540.92        |
| Above Five Years                      | Nil                 | Nil           |

## Notes to the Consolidated Financial Statements (Contd.)

of RattanIndia Power Limited (Formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

The Parent Company has entered into a Power Purchase Agreement with MSEDCCL (Lessee) for the supply of electricity for a term of 25 years, which has been considered to include an embedded lease arrangement for the Group's power plant. Such lease is classified as operating lease, and as such the revenue is recognized on straight line basis. Considering that the capacity charges per unit is higher in the initial years, there is a negative impact to P&L on account of straightlining. Accordingly, capacity charges charged by the Group are treated as lease rentals. The minimum lease payments under non-cancellable operating leases to be charged by the Group are as follows:

| (Amount in ₹ Lakhs)                      |               |               |
|--|---------------|---------------|
| Particulars                              | 31 March 2018 | 31 March 2017 |
| <b>Minimum lease rentals receivables</b> |               |               |
| Within one year                          | 98,287.20     | 98,287.20     |
| One to Five years                        | 306,299.88    | 335,339.28    |
| Above Five Years                         | 1,038,241.86  | 1,107,489.66  |

The Group has leased land, which has been classified as finance lease. The reconciliation between the total of future minimum lease payments and their present value at the end reporting period is as follows:

| (Amount in ₹ Lakhs)        |                               |           |                   |                  |
|----------------------------|-------------------------------|-----------|-------------------|------------------|
| Particulars                | Minimum lease rentals payable |           |                   |                  |
|                            | Less than 1 year              | 1-5 years | More than 5 years | Total            |
| <b>As at 31 March 2018</b> |                               |           |                   |                  |
| Lease payment              | 198.28                        | 793.10    | 16,173.87         | <b>17,165.25</b> |
| Finance charge             | 198.27                        | 793.06    | 14,521.67         | <b>15,513.00</b> |
| Net present value          | 0.01                          | 0.04      | 1,652.20          | <b>1,652.25</b>  |
| <b>As at 31 March 2017</b> |                               |           |                   |                  |
| Lease payment              | 198.28                        | 793.10    | 16,372.15         | <b>17,363.53</b> |
| Finance charge             | 198.27                        | 793.07    | 14,719.94         | <b>15,711.28</b> |
| Net present value          | 0.01                          | 0.03      | 1,652.21          | <b>1,652.25</b>  |

## 39 Disclosures in respect of Related Parties :

As per Ind AS-24 "Related Party Disclosure", the related parties where control exist or where significant influence exists and with whom transactions have taken place are as below:

### Related parties where control exists:

|  |  |
|--|--|
| <b>I. Company having substantial interest</b>  | RattanIndia Infrastructure Limited<br>(formerly known as Indiabulls Infrastructure and Power Limited)  |
| <b>II. Enterprise over which Key Management Personnel have significant influence (with whom transactions have been entered during the year/ previous year)</b> | IIC Limited<br>Sepset Constructions Limited<br>Citra Real Estate Limited<br>RattanIndia Solar Private Limited (Formerly known as RattanIndia Solar Limited)<br>Ashkit Power Limited<br>Notus Infrastructure Limited<br>RR Infralands Private Limited<br>RattanIndia Finance Private Limited (formerly known as Vikhyat Finlease And Trading Private Limited)<br>Tupelo Builders Private Limited<br>Priapus Infrastructure Limited<br>Priapus Real Estate Private Limited#<br>Priapus Properties Private Limited#<br>IINFC Ltd<br>Priapus Developers Private Limited# |
| <b>III. Key Management Personnel</b>   |  |
| <b>Name</b>  | <b>Designation</b>   |
| Rajiv Rattan   | Chairman and Director of the Company   |
| Jayant Shriniwas Kawale  | Managing Director of the Company   |
| Himanshu Mathur  | Whole Time Director of the Company   |
| Venugopal Kesanakurthy   | CFO of the Company (upto 20 January 2017)  |
| Samir Taneja   | CFO of the Company (w.e.f. 8 February 2017)  |

# During the previous year, Priapus Properties Private Limited ('PPPL') and Priapus Real Estate Private Limited ('PREPL') were merged with Priapus Developers Private Limited ('PDPL').

### IV. Summary of transactions with related parties:

(Amount in ₹ Lakhs)

| Nature of transactions                                    | Year ended | Company having Substantial Interest | Enterprises over which Key Management Personnel have significant influence | Key Management Personnel | Total             |
|---|------------|-------------------------------------|--|--------------------------|-------------------|
| <b>Finance</b>  |            |                                     |  |                          |                   |
| Sale of investment in equity shares of subsidiary company | 31-Mar-18  | -                                   | 9,922.00   | -                        | <b>9,922.00</b>   |
|   | 31-Mar-17  | -                                   | 50.00  | -                        | <b>50.00</b>      |
| Loan/ Inter corporate deposit received back               | 31-Mar-18  | -                                   | 5.60   | -                        | <b>5.60</b>       |
|   | 31-Mar-17  | -                                   | -  | -                        | <b>-</b>          |
| Loan / Inter corporate deposit taken                      | 31-Mar-18  | -                                   | 35,140.43  | -                        | <b>35,140.43</b>  |
|   | 31-Mar-17  | -                                   | 132,512.89   | -                        | <b>132,512.89</b> |
| Loan / Inter corporate deposit repaid                     | 31-Mar-18  | -                                   | 42,041.43  | -                        | <b>42,041.43</b>  |
|   | 31-Mar-17  | -                                   | 70,961.43  | -                        | <b>70,961.43</b>  |

# Notes to the Consolidated Financial Statements (Contd.)

of RattanIndia Power Limited (Formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

| Nature of transactions  | Year ended | Company having Substantial Interest | Enterprises over which Key Management Personnel have significant influence | Key Management Personnel | Total            |
|---|------------|-------------------------------------|--|--------------------------|------------------|
| <b>Expenses</b>   |            |                                     |  |                          |                  |
| Interest on loan / Inter corporate deposit taken  | 31-Mar-18  | -                                   | 2,874.39   | -                        | <b>2,874.39</b>  |
|   | 31-Mar-17  | -                                   | 4,439.82   | -                        | <b>4,439.82</b>  |
| Construction contracts expenses   | 31-Mar-18  | -                                   | 5,257.31   | -                        | <b>5,257.31</b>  |
|   | 31-Mar-17  | -                                   | 457.66   | -                        | <b>457.66</b>    |
| Consultancy income (excluding taxes)  | 31-Mar-18  | -                                   | 64.80  | -                        | <b>64.80</b>     |
|   | 31-Mar-17  | -                                   | 480.39   | -                        | <b>480.39</b>    |
| Reimbursement received / (made) for bank guarantee financing charges including general expenses | 31-Mar-18  | 1.61                                | 8.44   | -                        | <b>10.05</b>     |
|   | 31-Mar-17  | 30.08                               | 9.58   | -                        | <b>39.66</b>     |
| Reimbursement of general expense towards employment services                                    | 31-Mar-18  | -                                   | -  | -                        | -                |
|   | 31-Mar-17  | -                                   | -  | 0.62                     | <b>0.62</b>      |
| Short-term employee benefits  | 31-Mar-18  | -                                   | -  | 5,327.60                 | <b>5,327.60</b>  |
|   | 31-Mar-17  | -                                   | -  | 5,052.01                 | <b>5,052.01</b>  |
| Post employment benefits  | 31-Mar-18  | -                                   | -  | 1,066.79                 | <b>1,066.79</b>  |
|   | 31-Mar-17  | -                                   | -  | 4,651.48                 | <b>4,651.48</b>  |
| <b>Income</b>   |            |                                     |  |                          |                  |
| Interest on loans / Inter corporate deposits given  | 31-Mar-18  | -                                   | 85.71  | -                        | <b>85.71</b>     |
|   | 31-Mar-17  | -                                   | 126.60   | -                        | <b>126.60</b>    |
| Scrap sale  | 31-Mar-18  | -                                   | 0.30   | -                        | <b>0.30</b>      |
|   | 31-Mar-17  | -                                   | -  | -                        | -                |
| <b>Others</b>   |            |                                     |  |                          |                  |
| Capital Work-in-Progress (excluding taxes)  | 31-Mar-18  | -                                   | 25,713.19  | -                        | <b>25,713.19</b> |
|   | 31-Mar-17  | -                                   | 13,793.37  | -                        | <b>13,793.37</b> |
| Capital advance   | 31-Mar-18  | -                                   | -  | -                        | -                |
|   | 31-Mar-17  | -                                   | 494.03   | -                        | <b>494.03</b>    |
| Transfer of shares of RPL held by IPL- PPSL scheme trust  | 31-Mar-18  | -                                   | 7,789.54   | -                        | <b>7,789.54</b>  |
|   | 31-Mar-17  | -                                   | -  | -                        | -                |
| Pledge of shares  | 31-Mar-18  | Refer note 18                       |  | -                        | -                |
|   | 31-Mar-17  |                                     |  | -                        | -                |

# Notes to the Consolidated Financial Statements (Contd.)

**RattanIndia**

of RattanIndia Power Limited (Formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

## V. Summary of outstanding balances:

(Amount in ₹ Lakhs)

| Nature of transactions  | As at ended            | Company having Substantial Interest | Enterprises over which Key Management Personnel have significant influence | Key Management Personnel | Total     |
|---|------------------------|-------------------------------------|--|--------------------------|-----------|
| Reimbursement of general expense towards employment services payable            | 31-Mar-18              | -                                   | -  | -                        | -         |
|   | 31-Mar-17              | -                                   | -  | 0.62                     | 0.62      |
| Loan Given/ Inter corporate deposit given                                       | 31-Mar-18              | -                                   | 2,850.77   | -                        | 2,850.77  |
|   | 31-Mar-17              | -                                   | 2,856.37   | -                        | 2,856.37  |
| Loan / Inter corporate deposit taken  | 31-Mar-18              | -                                   | 66,623.43  | -                        | 66,623.43 |
|   | 31-Mar-17              | -                                   | 73,524.43  | -                        | 73,524.43 |
| Trade receivable  | 31-Mar-18              | -                                   | 349.88   | -                        | 349.88    |
|   | 31-Mar-17              | -                                   | 349.88   | -                        | 349.88    |
| Trade payable   | 31-Mar-18              | -                                   | 8,290.47   | -                        | 8,290.47  |
|   | 31-Mar-17              | -                                   | 2,661.81   | -                        | 2,661.81  |
| Short term advance  | 31-Mar-18              | -                                   | 968.62   | -                        | 968.62    |
|   | 31-Mar-17              | -                                   | 1,752.87   | -                        | 1,752.87  |
| Capital advances  | 31-Mar-18              | -                                   | 62,821.44  | -                        | 62,821.44 |
|   | 31-Mar-17              | -                                   | 79,333.71  | -                        | 79,333.71 |
| Retention money payable/ Payables on purchase of property, plant and equipments | 31-Mar-18              | -                                   | 11,657.31  | -                        | 11,657.31 |
|   | 31-Mar-17              | -                                   | 11,138.93  | -                        | 11,138.93 |
| Employee benefit liability  | 31-Mar-18              | -                                   | -  | 15,431.10                | 15,431.10 |
|   | 31-Mar-17              | -                                   | -  | 14,386.26                | 14,386.26 |
| Remuneration payable  | 31-Mar-18              | -                                   | -  | 2,442.35                 | 2,442.35  |
|   | 31-Mar-17              | -                                   | -  | 310.69                   | 310.69    |
| Pledge of shares  | 31-Mar-18<br>31-Mar-17 | Refer note 18                       |  | -                        | -         |

# Notes to the Consolidated Financial Statements (Contd.)

of RattanIndia Power Limited (Formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

## VI. Detail of outstanding balance:

|  |             | (Amount in ₹ Lakhs)  |                                      |                                      |                  |               |                     |                  |   |                            |                      |
|--|-------------|--|--------------------------------------|--------------------------------------|------------------|---------------|---------------------|------------------|---|----------------------------|----------------------|
| Name of Related Party  | As at ended | Reimbursement of general expense towards employment services payable | Loan / inter Corporate deposit given | Loan / inter Corporate deposit taken | Trade receivable | Trade payable | Short term advances | Capital advances | Retention money payable/ payables on purchase of fixed assets | Employee benefit liability | Remuneration Payable |
| Enterprise over which Key Management Personnel have significant influence                            |             |  |                                      |                                      |                  |               |                     |                  |   |                            |                      |
| IIC Limited  | 31-Mar-18   | -  | 1,314.87                             | -                                    | -                | 8,290.47      | 968.62              | 62,821.44        | 11,657.31   | -                          | -                    |
|  | 31-Mar-17   | -  | 1,320.47                             | -                                    | -                | 2,661.81      | 1,952.87            | 79,333.71        | 11,138.93   | -                          | -                    |
| IINFC Ltd  | 31-Mar-18   | -  | 1,535.90                             | -                                    | -                | -             | -                   | -                | -   | -                          | -                    |
|  | 31-Mar-17   | -  | 1,535.90                             | -                                    | -                | -             | -                   | -                | -   | -                          | -                    |
| Gragerious constructions material ltd  | 31-Mar-18   | -  | -                                    | -                                    | 62.80            | -             | -                   | -                | -   | -                          | -                    |
|  | 31-Mar-17   | -  | -                                    | -                                    | 62.80            | -             | -                   | -                | -   | -                          | -                    |
| Priapus Developers Private Limited   | 31-Mar-18   | -  | -                                    | 35,439.00                            | -                | -             | -                   | -                | -   | -                          | -                    |
|  | 31-Mar-17   | -  | -                                    | 37,383.00                            | -                | -             | -                   | -                | -   | -                          | -                    |
| RattanIndia Finance Private Limited (formerly known as Vikhyat Finlease and Trading Private Limited) | 31-Mar-18   | -  | -                                    | -                                    | -                | -             | -                   | -                | -   | -                          | -                    |
|  | 31-Mar-17   | -  | -                                    | 27,956.43                            | -                | -             | -                   | -                | -   | -                          | -                    |
| Tupelo Builders Private Limited  | 31-Mar-18   | -  | -                                    | 2,793.00                             | -                | -             | -                   | -                | -   | -                          | -                    |
|  | 31-Mar-17   | -  | -                                    | 8,185.00                             | -                | -             | -                   | -                | -   | -                          | -                    |
| R R Infraland Private Limited  | 31-Mar-18   | -  | -                                    | 28,391.43                            | -                | -             | -                   | -                | -   | -                          | -                    |
|  | 31-Mar-17   | -  | -                                    | -                                    | -                | -             | -                   | -                | -   | -                          | -                    |
| Citra Real Estate Limited  | 31-Mar-18   | -  | -                                    | -                                    | 261.88           | -             | -                   | -                | -   | -                          | -                    |
|  | 31-Mar-17   | -  | -                                    | -                                    | 261.88           | -             | -                   | -                | -   | -                          | -                    |
| Sepset Constructions Limited   | 31-Mar-18   | -  | -                                    | -                                    | 25.20            | -             | -                   | -                | -   | -                          | -                    |
|  | 31-Mar-17   | -  | -                                    | -                                    | 25.20            | -             | -                   | -                | -   | -                          | -                    |
| Key Management Personnel   |             |  |                                      |                                      |                  |               |                     |                  |   |                            |                      |
| Rajiv Rattan   | 31-Mar-18   | -  | -                                    | -                                    | -                | -             | -                   | -                | -   | 15,395.01                  | 2,442.35             |
|  | 31-Mar-17   | -  | -                                    | -                                    | -                | -             | -                   | -                | -   | 14,349.00                  | 310.69               |
| Jayant Shrinivas Kawale  | 31-Mar-18   | -  | -                                    | -                                    | -                | -             | -                   | -                | -   | -                          | -                    |
|  | 31-Mar-17   | 0.62   | -                                    | -                                    | -                | -             | -                   | -                | -   | 12.37                      | -                    |

## VII. Statement of material transactions

| Name of related party   | Year ended | Sale of investment in equity shares of subsidiary of company | Loan/ Inter corporate deposit received back | Loan/ Inter corporate deposit taken | Loan/ Inter corporate deposit repaid | Interest on loans / inter corporate deposits given | Interest on loans taken/ Inter corporate deposits taken | Construction contracts expenses | Consultancy income (excluding taxes)/sale of good | Reimbursement received of BG financing charges including general expenses | Transfer of shares of RPL held by IPL- PPSL scheme trust |
|---|------------|--|---|-------------------------------------|--------------------------------------|--|---|---------------------------------|---|---|--|
|   |            |  |   |                                     |                                      |  |   |                                 |   |   |  |
| Company having Substantial Interest   |            |  |   |                                     |                                      |  |   |                                 |   |   |  |
| RattanIndia Infrastructure Limited (formerly known as Indiabulls Infrastructure and Power Limited)      | 31-Mar-18  | -  | -   | -                                   | -                                    | -  | -   | -                               | -   | 1.61  | -  |
|   | 31-Mar-17  | -  | -   | -                                   | -                                    | -  | -   | -                               | -   | 30.08   | -  |
| Enterprises over which Key Management Personnel have significant influence                              |            |  |   |                                     |                                      |  |   |                                 |   |   |  |
| IIC Limited   | 31-Mar-18  | -  | -   | -                                   | -                                    | -  | -   | 5,257.31                        | -   | 2.43  | -  |
|   | 31-Mar-17  | -  | -   | -                                   | -                                    | -  | -   | 457.66                          | -   | 2.28  | -  |
| Priapus Infrastructure Limited  | 31-Mar-18  | -  | -   | -                                   | -                                    | -  | -   | -                               | -   | 0.45  | -  |
|   | 31-Mar-17  | -  | -   | -                                   | -                                    | -  | -   | -                               | -   | 0.33  | -  |
| RattanIndia Solar Private Limited (formerly known as RattanIndia Solar Limited)                         | 31-Mar-18  | 9,922.00   | -   | -                                   | -                                    | -  | -   | -                               | -   | 0.19  | -  |
|   | 31-Mar-17  | 50.00  | -   | -                                   | -                                    | -  | -   | -                               | -   | 2.31  | -  |
| Sepset Constructions Limited  | 31-Mar-18  | -  | -   | -                                   | -                                    | -  | -   | -                               | 0.30  | 0.66  | -  |
|   | 31-Mar-17  | -  | -   | -                                   | -                                    | -  | -   | -                               | 157.50  | 4.25  | -  |
| Citra Real Estate Limited   | 31-Mar-18  | -  | -   | -                                   | -                                    | -  | -   | -                               | -   | -   | -  |
|   | 31-Mar-17  | -  | -   | -                                   | -                                    | -  | -   | -                               | 143.75  | -   | -  |
| Priapus Real Estate Private Limited   | 31-Mar-18  | -  | -   | -                                   | -                                    | -  | -   | -                               | -   | -   | -  |
|   | 31-Mar-17  | -  | -   | -                                   | 6,000.00                             | -  | 337.64  | -                               | -   | -   | -  |
| Devona Power Limited (Formerly known as Indiabulls Power Generation Limited)                            | 31-Mar-18  | -  | 5.60  | -                                   | -                                    | 85.71  | -   | -                               | 64.80   | -   | -  |
|   | 31-Mar-17  | -  | -   | -                                   | -                                    | 126.60   | -   | -                               | 109.94  | -   | -  |
| Gragerious Construction Materials Limited (Formerly known as Indiabulls Construction Materials Limited) | 31-Mar-18  | -  | -   | -                                   | -                                    | -  | -   | -                               | -   | -   | -  |
|   | 31-Mar-17  | -  | -   | -                                   | -                                    | -  | -   | -                               | 23.00   | -   | -  |
| Crocus Infra Reality Limited  | 31-Mar-18  | -  | -   | -                                   | -                                    | -  | -   | -                               | -   | -   | -  |
|   | 31-Mar-17  | -  | -   | -                                   | -                                    | -  | -   | -                               | 46.20   | -   | -  |
| Priapus Developers Private Limited  | 31-Mar-18  | -  | -   | 1,729.00                            | 3,673.00                             | -  | 1,119.10  | -                               | -   | -   | -  |
|   | 31-Mar-17  | -  | -   | 25,724.00                           | 23,461.00                            | -  | 685.08  | -                               | -   | -   | -  |
| RR Infralands Pvt. Ltd.   | 31-Mar-18  | -  | -   | 28,391.43                           | -                                    | -  | -   | -                               | -   | -   | 7,789.54   |
|   | 31-Mar-17  | -  | -   | 23,598.00                           | 23,598.00                            | -  | 137.52  | -                               | -   | -   | -  |
| RattanIndia Finance Private Limited (formerly known as Vikhyat Finlease and Trading Private Limited)    | 31-Mar-18  | -  | -   | -                                   | 27,956.43                            | -  | 1,400.00  | -                               | -   | 4.68  | -  |
|   | 31-Mar-17  | -  | -   | 28,000.00                           | 43.57                                | -  | 657.53  | -                               | -   | -   | -  |
| Tupelo Builders Private Limited   | 31-Mar-18  | -  | -   | 5,020.00                            | 10,412.00                            | -  | 355.29  | -                               | -   | 0.03  | -  |
|   | 31-Mar-17  | -  | -   | 8,185.00                            | -                                    | -  | 11.64   | -                               | -   | -   | -  |
| Priapus Properties Private Limited  | 31-Mar-18  | -  | -   | -                                   | -                                    | -  | -   | -                               | -   | -   | -  |
|   | 31-Mar-17  | -  | -   | 47,005.89                           | 17,858.86                            | -  | 2,610.41  | -                               | -   | -   | -  |

# Notes to the Consolidated Financial Statements (Contd.)

of RattanIndia Power Limited (Formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

## VII. Statement of material transactions (Cont'd)

(Amount in ₹ Lakhs)

| Name of Related Party   | Year ended | Capital Work-in-Progress (Excluding Taxes) | Capital advances | Reimbursement of general expense towards employment services | Short term advances given/ (received back) | Short-term employee benefits | Post employment benefits |
|---|------------|--|------------------|--|--|------------------------------|--------------------------|
| <b>Enterprises over which Key Management Personnel have significant influence</b> |            |  |                  |  |  |                              |                          |
| IIC Limited   | 31-Mar-18  | 25,713.19                                  | -                | -  | -  | -                            | -                        |
|   | 31-Mar-17  | 13,793.37                                  | 494.03           | -  | -  | -                            | -                        |
| <b>Key Management Personnel</b>   |            |  |                  |  |  |                              |                          |
| Rajiv Rattan  | 31-Mar-18  | -  | -                | -  | -  | 4,885.81                     | 1,046.02                 |
|   | 31-Mar-17  | -  | -                | -  | -  | 4,463.58                     | 4,663.95                 |
| Jayant Shriniwas Kawale   | 31-Mar-18  | -  | -                | -  | -  | 258.49                       | 9.59                     |
|   | 31-Mar-17  | -  | -                | 0.62   | -  | 302.75                       | (25.64)                  |
| Venugopal Kesanakurthy  | 31-Mar-18  | -  | -                | -  | -  | -                            | -                        |
|   | 31-Mar-17  | -  | -                | -  | -  | 173.59                       | -                        |
| Himanshu Mathur   | 31-Mar-18  | -  | -                | -  | -  | 103.00                       | 9.61                     |
|   | 31-Mar-17  | -  | -                | -  | -  | 98.69                        | 3.24                     |
| Samir Taneja  | 31-Mar-18  | -  | -                | -  | -  | 80.30                        | 1.57                     |
|   | 31-Mar-17  | -  | -                | -  | -  | 13.40                        | 9.93                     |

## 40. Financial instruments

### i) Fair values hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1:** Quoted prices (unadjusted) in active markets for financial instruments.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

### ii) Financial assets and liabilities measured at fair value - recurring fair value measurements.

(Amount in ₹ Lakhs)

| Particulars                   | Level   | 31 March 2018   | 31 March 2017   |
|-------------------------------|---------|-----------------|-----------------|
| <b>Financial assets</b>       |         |                 |                 |
| <b>Investments at FVTPL</b>   |         |                 |                 |
| Investments in mutual funds   | Level 2 | 1,007.02        | 7,000.00        |
| <b>Total financial assets</b> |         | <b>1,007.02</b> | <b>7,000.00</b> |



### (iii) Fair value of financial assets and liabilities measured at amortised cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values. (Refer note 41(i)).

### (iv) Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

(a) Mutual funds: Use of NAV's obtained from the asset manager.

## 41. Financial risk management

### i) Financial instruments by category

(Amount in ₹ Lakhs)

| Particulars                  | 31 March 2018   |          |                     | 31 March 2017   |          |                     |
|------------------------------|-----------------|----------|---------------------|-----------------|----------|---------------------|
|                              | FVTPL           | FVOCI    | Amortised cost      | FVTPL           | FVOCI    | Amortised cost      |
| <b>Financial assets</b>      |                 |          |                     |                 |          |                     |
| Investments in:              |                 |          |                     |                 |          |                     |
| mutual funds                 | 1,007.02        | -        | -                   | 7,000.00        | -        | -                   |
| Loans:                       |                 |          |                     |                 |          |                     |
| Security deposits            | -               | -        | 1,973.09            | -               | -        | 1,898.27            |
| Loans                        | -               | -        | 6.86                | -               | -        | 12.87               |
| Inter corporate deposits     | -               | -        | 1,314.87            | -               | -        | 1,320.47            |
| Trade receivables            | -               | -        | 132,714.59          | -               | -        | 79,158.80           |
| Cash and cash equivalents    | -               | -        | 14,914.39           | -               | -        | 27,631.07           |
| Other bank balances          | -               | -        | 3,651.45            | -               | -        | 3,385.00            |
| Other financial asset        | -               | -        | 25,898.24           | -               | -        | 51,099.78           |
| <b>Total</b>                 | <b>1,007.02</b> | <b>-</b> | <b>180,473.49</b>   | <b>7,000.00</b> | <b>-</b> | <b>164,506.26</b>   |
| <b>Financial liabilities</b> |                 |          |                     |                 |          |                     |
| Borrowings                   | -               | -        | 1,463,316.07        | -               | -        | 1,470,227.37        |
| Trade payable                | -               | -        | 4,500.85            | -               | -        | 5,322.94            |
| Other financial liabilities  | -               | -        | 319,120.40          | -               | -        | 157,401.21          |
| <b>Total</b>                 | <b>-</b>        | <b>-</b> | <b>1,786,937.32</b> | <b>-</b>        | <b>-</b> | <b>1,632,951.52</b> |

### ii) Risk Management

The Group is exposed to various risks in relation to financial instruments. The Group's financial assets and liabilities by category are summarised in note 41(i). The main types of risks are market risk, credit risk and liquidity risk. The most significant financial risks to which the Group is exposed are described below:

The Group's risk management is carried out by a central finance department (of the Group) under direction of the Board of Directors. The Board of Directors provides principles for overall risk management, and covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

#### A) Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. Credit risk arises from cash and cash equivalents, trade receivables, investments carried at amortised cost and deposits with banks and

## Notes to the Consolidated Financial Statements (Contd.)

of RattanIndia Power Limited (Formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

financial institutions. The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at 31 March, as summarised below:

| Particulars                     | (Amount in ₹ Lakhs) |               |
|---------------------------------|---------------------|---------------|
|                                 | 31 March 2018       | 31 March 2017 |
| Loans (i)                       | 3,294.82            | 3,231.61      |
| Trade receivables (ii)          | 132,714.59          | 79,158.80     |
| Cash and cash equivalents (iii) | 14,914.39           | 27,631.07     |
| Other bank balances (iii)       | 3,651.45            | 3,385.00      |
| Other financial assets (i)      | 25,898.24           | 51,099.78     |

The Group continuously monitors defaults of customers and other counterparties, and incorporates this information into its credit risk controls. The Group's policy is to deal only with creditworthy counterparties.

The Group's management considers that these financial assets that are not impaired or past due for each of the reporting dates under review are of good credit quality.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due. A default on a financial asset is when the counterparty fails to make contractual payments when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

- (i) The Group's management considers assets other than trade receivables, which are 30 days past due and analyses facts and circumstances surrounding each such defaults separately. If the facts indicate a probability of loss of value, the assets then expected cash flows are plotted in an present value based impairment model to determine the amount of impairment loss. Amounts are written off only in the following circumstances: a) no probable legal recourse is available for recovery, b) the counterparty is bankrupt, c) the cost of recovery is more than the amount or d) after all possible efforts the Group is unable to recover amounts after a period of 3 years.
- (ii) Group's major trade receivables are only with, government owned counterparty and are recovery under the power purchase agreement and bulk power transmission agreements. Therefore, these trade receivables are considered high quality and accordingly no life time expected credit losses are recognised on such receivables based on simplified approach. Any provisions against such receivables are for liquidated damages and not related to credit worthiness of the counterparty. The Group considers that trade receivables are not credit impaired as these are receivable from Government undertaking.
- (iii) The credit risk for cash and cash equivalents and other bank balances is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

### B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Group maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which the entity operates."

#### Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(Amount in ₹ Lakhs)

| 31 March 2018               | Less than 1 year  | 1-5 year          | More than 5 years   | Total               |
|-----------------------------|-------------------|-------------------|---------------------|---------------------|
| <b>Non-derivatives</b>      |                   |                   |                     |                     |
| Borrowings*                 | 495,688.99        | 894,944.19        | 1,208,251.82        | 2,598,885.01        |
| Trade payable               | 4,500.85          | -                 | -                   | 4,500.85            |
| Other financial liabilities | 113,687.07        | 18,311.29         | 10,081.84           | 142,080.19          |
| <b>Total</b>                | <b>613,876.91</b> | <b>913,255.48</b> | <b>1,218,333.66</b> | <b>2,745,466.05</b> |

| 31 March 2017               | Less than 1 year  | 1-5 year          | More than 5 years   | Total               |
|-----------------------------|-------------------|-------------------|---------------------|---------------------|
| <b>Non-derivatives</b>      |                   |                   |                     |                     |
| Borrowings*                 | 420,147.83        | 948,412.98        | 1,271,644.32        | 2,640,205.13        |
| Trade payable               | 5,322.94          | -                 | -                   | 5,322.94            |
| Other financial liabilities | 113,347.93        | 18,362.41         | 1,004.95            | 132,715.29          |
| <b>Total</b>                | <b>538,818.70</b> | <b>966,775.39</b> | <b>1,272,649.27</b> | <b>2,778,243.36</b> |

\* Borrowings excludes finance lease obligations, refer note 38 for disclosure of maturity profile of finance lease obligations.

## C) Market Risk

### a) Foreign currency risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Group's functional currency.

#### Foreign currency risk exposure:

The Group's exposure to foreign currency risk at the end of the reporting periods is Nil.

### b) Interest rate risk

#### i) Liabilities/ assets

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31 March 2018, the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Group's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

#### Interest rate risk exposure

Below is the overall exposure of the Group to interest rate risk:

(Amount in ₹ Lakhs)

| Particulars                         | 31 March 2018       | 31 March 2017       |
|-------------------------------------|---------------------|---------------------|
| <b>Variable rate:</b>               |                     |                     |
| Borrowing                           | 1,461,541.68        | 1,468,431.39        |
| Loan assets                         | -                   | -                   |
| <b>Total variable rate exposure</b> | <b>1,461,541.68</b> | <b>1,468,431.39</b> |
| <b>Fixed rate:</b>                  |                     |                     |
| Borrowing                           | 1,774.39            | 1,795.98            |
| Loans and deposits                  | 11,172.45           | 43,122.87           |
| <b>Total fixed rate exposure</b>    | <b>9,398.06</b>     | <b>41,326.89</b>    |

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## Sensitivity

Below is the sensitivity of profit or loss and equity due to changes in interest rates, assuming no change in other variables:

(Amount in ₹ Lakhs)

| Particulars   | 31 March 2018 | 31 March 2017 |
|---|---------------|---------------|
| <b>Interest sensitivity</b>   |               |               |
| Interest rates – increase by 100 basis points (31 March 2017: 100 basis points) | (14,615.42)   | (14,684.31)   |
| Interest rates – decrease by 100 basis points (31 March 2017: 100 basis points) | 14,615.42     | 14,684.31     |

## c) Price risk

### Exposure

The Group is exposed to price risk in respect of its investment in mutual funds (see note 12). The mutual funds are unquoted investments.

### Sensitivity

Below is the sensitivity of profit or loss and equity changes in fair value of investments, assuming no change in other variables:

(Amount in ₹ Lakhs)

| Particulars                        | 31 March 2018 | 31 March 2017 |
|------------------------------------|---------------|---------------|
| <b>Price sensitivity</b>           |               |               |
| Price increase by 1000 basis point | 100.70        | 700.00        |
| Price decrease by 1000 basis point | (100.70)      | (700.00)      |

## 42. Capital management

The Group's capital management objectives are

- to ensure the Group's ability to continue as a going concern
- to provide an adequate return to shareholders

The Group monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Group's various classes of debt. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt. The amounts managed as capital by the Group for the reporting periods under review are summarised as follows:

(Amount in ₹ Lakhs)

| Particulars  | 31 March 2018       | 31 March 2017       |
|--|---------------------|---------------------|
| Long-term borrowings including finance lease obligations                       | 1,108,201.10        | 1,213,533.83        |
| Current maturities of long-term borrowings including finance lease obligations | 197,304.10          | 93,350.95           |
| Short-term borrowings  | 157,810.87          | 163,342.59          |
| Interest accrued on borrowings   | 181,693.20          | 31,342.28           |
| <b>Total borrowings</b>  | <b>1,645,009.27</b> | <b>1,501,569.65</b> |
| Less:  |                     |                     |
| Cash and cash equivalents  | 14,914.39           | 27,631.07           |
| Other bank balances  | 7,877.63            | 8,333.35            |
| Investment of excess fund in mutual funds                                      | 1,007.02            | 7,000.00            |
| <b>Net debts</b>   | <b>1,621,210.23</b> | <b>1,458,605.23</b> |
| <b>Total equity</b>  | <b>249,840.07</b>   | <b>406,873.24</b>   |
| <b>Net debt to equity ratio</b>  | <b>648.90%</b>      | <b>358.49%</b>      |

- Net debts includes long term borrowing, their current maturities and net of cash and cash equivalents.
- Equity includes capital and all reserves of the Group that are managed as capital.

## 43. Details of assets pledged

The carrying amounts of assets pledged as security for current and non-current borrowings are:

(Amount in ₹ Lakhs)

| Particulars   | As at<br>31 March 2018 | As at<br>31 March 2017 |
|---|------------------------|------------------------|
| <b>Current</b>  |                        |                        |
| Inventories and trade receivables (to the extent pledged) | 148,014.11             | 87,308.65              |
| Finance lease receivable                                  | -                      | 5,121.66               |
| <b>Non Current</b>  |                        |                        |
| Finance lease receivable                                  | -                      | 26,436.25              |
| Property, plant and equipment                             | 1,501,401.43           | 1,079,155.49           |
| Capital work-in-progress                                  | 225,381.97             | 633,908.18             |
| Other intangibles assets                                  | 46.48                  | 127.74                 |
| Shares of subsidiaries                                    | 267,656.33             | 271,505.61             |

## 44. Effective tax reconciliation

(Amount in ₹ Lakhs)

| Particulars   | For the year ended<br>31 March, 2018 | For the year ended<br>31 March, 2017 |
|---|--------------------------------------|--------------------------------------|
| Loss before tax   | (164,971.64)                         | (62,393.13)                          |
| Domestic tax rate   | 34.61%                               | 34.61%                               |
| <b>Expected tax expense [A]</b>                                   | <b>(57,096.68)</b>                   | <b>(21,594.26)</b>                   |
| Adjustment for non-deductible expenses                            | 55.70                                | 92.53                                |
| Adjustment for exempt income                                      | (158.91)                             | (7.13)                               |
| Deferred assets on unabsorbed losses and depreciation             | -                                    | (433.53)                             |
| Deferred tax assets not recognised                                | 57,313.16                            | 22,563.77                            |
| Minimum alternate tax   | 1,262.98                             | 42.77                                |
| <b>Total adjustments [B]</b>                                      | <b>58,472.93</b>                     | <b>22,258.41</b>                     |
| <b>Actual tax expense [C=A+B]</b>                                 | <b>1,376.24</b>                      | <b>664.15</b>                        |
| <b>Tax expense comprises:</b>                                     |                                      |                                      |
| Current tax expense   | 113.25                               | 46.06                                |
| Deferred tax credit   | 1,262.99                             | 618.09                               |
| <b>Tax expense recognized in Statement of profit and loss [D]</b> | <b>1,376.24</b>                      | <b>664.15</b>                        |

# Notes to the Consolidated Financial Statements (Contd.)

of RattanIndia Power Limited (Formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

## 45. Interests in other entities

The Group's subsidiaries at 31 March 2018 are set out below. Unless otherwise stated, they have share capital consisting solely of equity share that are held directly by the Group, and the proportion of ownership interest held equals the voting right held by the group as at reporting date. The country of incorporation or registration is also their principal place of business.

| Name of entity  | Place of business/<br>country of<br>incorporation | Ownership interest held<br>by the Group |                  | Ownership interest held by<br>non-controlling interests |                  | Principal activities               |
|---|---|---|------------------|---|------------------|------------------------------------|
|   |   | 31 March<br>2018                        | 31 March<br>2017 | 31 March<br>2018  | 31 March<br>2017 |                                    |
| Airmid Power Limited  | India   | 100%                                    | 100%             | -   | -                | Currently no principal activities  |
| Amravati Power Transmission Company Limited**                                     | India   | -                                       | 100%             | -   | -                | Transmission of Power              |
| Angina Power Limited  | India   | 100%                                    | 100%             | -   | -                | Currently no principal activities  |
| Aravali Properties Limited  | India   | 100%                                    | 100%             | -   | -                | Currently no principal activities  |
| Bracond Limited   | Cyprus  | 100%                                    | 100%             | -   | -                | Currently no principal activities  |
| Citra Thermal Power And Infrastructure Limited                                    | India   | 100%                                    | 100%             | -   | -                | Currently no principal activities  |
| Devona Thermal Power And Infrastructure Limited                                   | India   | 100%                                    | 100%             | -   | -                | Currently no principal activities  |
| Diana Energy Limited  | India   | 74%                                     | 74%              | 26%   | 26%              | Currently no principal activities  |
| Diana Power Limited   | India   | 100%                                    | 100%             | -   | -                | Currently no principal activities  |
| Elena Power And Infrastructure Limited  | India   | 100%                                    | 100%             | -   | -                | Engineering Procurement Contractor |
| Genoformus Limited *  | Cyprus  | 100%                                    | 100%             | -   | -                | Currently no principal activities  |
| Hecate Electric Limited   | India   | 100%                                    | 100%             | -   | -                | Currently no principal activities  |
| Hecate Energy Private Limited   | India   | 100%                                    | 100%             | -   | -                | Currently no principal activities  |
| Hecate Energy Trading Limited   | India   | 100%                                    | 100%             | -   | -                | Currently no principal activities  |
| Hecate Power And Energy Resources Limited   | India   | 100%                                    | 100%             | -   | -                | Currently no principal activities  |
| Hecate Power Development Limited  | India   | 100%                                    | 100%             | -   | -                | Currently no principal activities  |
| Hecate Power Distributors Limited**   | India   | -                                       | 100%             | -   | -                | Currently no principal activities  |
| Hecate Power Generation Limited**   | India   | -                                       | 100%             | -   | -                | Currently no principal activities  |
| Hecate Power Limited**  | India   | -                                       | 100%             | -   | -                | Currently no principal activities  |
| Hecate Power Management Limited**   | India   | -                                       | 100%             | -   | -                | Currently no principal activities  |
| Hecate Power Projects Limited   | India   | 100%                                    | 100%             | -   | -                | Currently no principal activities  |
| Hecate Power Services Limited**   | India   | -                                       | 100%             | -   | -                | Currently no principal activities  |
| Hecate Power Supply Limited**   | India   | -                                       | 100%             | -   | -                | Currently no principal activities  |
| Hecate Power Systems Limited  | India   | 100%                                    | 100%             | -   | -                | Currently no principal activities  |
| Hecate Power Transmission Limited   | India   | 80.03%                                  | 80.03%           | 20%   | 20%              | Currently no principal activities  |
| Hecate Power Utility Limited  | India   | 100%                                    | 100%             | -   | -                | Currently no principal activities  |
| Hecate Powergen Limited**   | India   | -                                       | 100%             | -   | -                | Currently no principal activities  |
| Hecate Thermal Power And Infrastructure Limited**                                 | India   | -                                       | 100%             | -   | -                | Currently no principal activities  |
| Sentia Power Limited (formerly known as Indiabulls CSEB Bhaiyathan Power Limited) | India   | 100%                                    | 100%             | -   | -                | Currently no principal activities  |

# Notes to the Consolidated Financial Statements (Contd.)

of RattanIndia Power Limited (Formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

| Name of entity  | Place of business/<br>country of<br>incorporation | Ownership interest held<br>by the Group |                  | Ownership interest held by<br>non-controlling interests |                  | Principal activities              |
|---|---|---|------------------|---|------------------|-----------------------------------|
|   |   | 31 March<br>2018                        | 31 March<br>2017 | 31 March<br>2018  | 31 March<br>2017 |                                   |
| Sentia Electric Limited (formerly known as Indiabulls Electric Company Limited)                         | India   | 100%                                    | 100%             | -   | -                | Currently no principal activities |
| Sentia Electricity Limited (formerly known as Indiabulls Electricity Company Limited)                   | India   | 100%                                    | 100%             | -   | -                | Currently no principal activities |
| Sentia Electricity Generation Limited (formerly known as Indiabulls Electricity Generation Limited)     | India   | 100%                                    | 100%             | -   | -                | Currently no principal activities |
| Sentia Hydro Electric Power Limited (formerly known as Indiabulls Hydro Electric Power Limited)         | India   | 100%                                    | 100%             | -   | -                | Currently no principal activities |
| Sentia Hydro Energy Limited (formerly known as Indiabulls Hydro Energy Limited)                         | India   | 100%                                    | 100%             | -   | -                | Currently no principal activities |
| Sentia Hydro Power Limited (formerly known as Indiabulls Hydro Power Limited)                           | India   | 100%                                    | 100%             | -   | -                | Currently no principal activities |
| Sentia Hydro Power Projects Limited (formerly known as Indiabulls Hydro Power Projects Limited)         | India   | 100%                                    | 100%             | -   | -                | Currently no principal activities |
| Devona Power Development Limited (formerly known as Indiabulls Power Development Limited)               | India   | 100%                                    | 100%             | -   | -                | Currently no principal activities |
| Devona Power Distribution Limited (formerly known as Indiabulls Power Distribution Limited)             | India   | 100%                                    | 100%             | -   | -                | Currently no principal activities |
| Devona Power Generation Limited (formerly known as Indiabulls Power Generation Company Limited)         | India   | 100%                                    | 100%             | -   | -                | Currently no principal activities |
| Devona Power Limited (formerly known as Indiabulls Power Generation Limited)                            | India   | 74%                                     | 74%              | 26%   | 26%              | Currently no principal activities |
| Devona Power Infrastructure Limited (formerly known as Indiabulls Power Infrastructure Limited)         | India   | 100%                                    | 100%             | -   | -                | Currently no principal activities |
| Devona Power Projects Limited (formerly known as Indiabulls Power Projects Limited)                     | India   | 100%                                    | 100%             | -   | -                | Currently no principal activities |
| Albina Power Trading Limited (formerly known as Indiabulls Power Trading Limited)                       | India   | 100%                                    | 100%             | -   | -                | Currently no principal activities |
| Albina Power Transmission Limited (formerly known as Indiabulls Power Transmission Limited)             | India   | 100%                                    | 100%             | -   | -                | Currently no principal activities |
| RattanIndia Nasik Power Limited (formerly known as Indiabulls Realtech Limited)                         | India   | 100%                                    | 100%             | -   | -                | Thermal Power Generation          |
| Albina Thermal Energy Limited (formerly known as Indiabulls Thermal Energy Limited)                     | India   | 100%                                    | 100%             | -   | -                | Currently no principal activities |
| Albina Thermal Power Limited (formerly known as Indiabulls Thermal Power Limited)                       | India   | 100%                                    | 100%             | -   | -                | Currently no principal activities |
| Albina Thermal Power Management Limited (formerly known as Indiabulls Thermal Power Management Limited) | India   | 100%                                    | 100%             | -   | -                | Currently no principal activities |

# Notes to the Consolidated Financial Statements (Contd.)

of RattanIndia Power Limited (Formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

| Name of entity  | Place of business/<br>country of<br>incorporation | Ownership interest held<br>by the Group |                  | Ownership interest held by<br>non-controlling interests |                  | Principal activities              |
|---|---|---|------------------|---|------------------|-----------------------------------|
|   |   | 31 March<br>2018                        | 31 March<br>2017 | 31 March<br>2018  | 31 March<br>2017 |                                   |
| Devona Thermal Power Projects Limited (formerly known Indiabulls Thermal Power Projects Limited)  | India   | 100%                                    | 100%             | -   | -                | Currently no principal activities |
| Albina Thermal Projects Limited (formerly known Indiabulls Thermal Projects Limited)  | India   | 100%                                    | 100%             | -   | -                | Currently no principal activities |
| Albina Water Supply and Waste Management Services Limited* (formerly known Indiabulls Water Supply and Waste Management Services Limited) | India   | 100%                                    | 100%             | -   | -                | Currently no principal activities |
| Kaya Hydropower Projects Limited  | India   | 100%                                    | 100%             | -   | -                | Hydro power projects              |
| Lucina Power And Infrastructure Limited   | India   | 100%                                    | 100%             | -   | -                | Currently no principal activities |
| Poana Power Systems Limited   | India   | 100%                                    | 100%             | -   | -                | Currently no principal activities |
| Poana Power Solutions Limited   | India   | 100%                                    | 100%             | -   | -                | Currently no principal activities |
| Poana Hydro Power Projects Limited  | India   | 100%                                    | 100%             | -   | -                | Currently no principal activities |
| Poana Power Development Limited   | India   | 100%                                    | 100%             | -   | -                | Power Generation                  |
| Poana Power Distributors Limited  | India   | 100%                                    | 100%             | -   | -                | Currently no principal activities |
| Poana Power Generation Limited  | India   | 100%                                    | 100%             | -   | -                | Currently no principal activities |
| Poana Power Limited   | India   | 100%                                    | 81.43%           | 0%  | 19%              | Currently no principal activities |
| Poana Power Management Limited  | India   | 100%                                    | 100%             | -   | -                | Currently no principal activities |
| Poana Power Services Limited  | India   | 100%                                    | 100%             | -   | -                | Currently no principal activities |
| Poana Power Trading Limited   | India   | 100%                                    | 100%             | -   | -                | Currently no principal activities |
| Poana Power Utility Limited   | India   | 100%                                    | 100%             | -   | -                | Currently no principal activities |
| Poana Thermal Power Limited   | India   | 100%                                    | 100%             | -   | -                | Currently no principal activities |
| Renemark Limited*   | Cyprus  | 100%                                    | 100%             | -   | -                | Currently no principal activities |
| Selene Power Company Limited  | India   | 100%                                    | 100%             | -   | -                | Currently no principal activities |
| Sentia Thermal Power And Infrastructure Limited   | India   | 100%                                    | 100%             | -   | -                | Currently no principal activities |
| Sepia Hydropower Projects Limited   | India   | 100%                                    | 100%             | -   | -                | Hydro power projects              |
| Sepset Thermal Power And Infrastructure Limited   | India   | 100%                                    | 100%             | -   | -                | Currently no principal activities |
| Sinnar Power Transmission Company Limited*  | India   | 100%                                    | 100%             | -   | -                | Transmission of Power             |
| Tharang Warang Hydropower Projects Limited  | India   | 100%                                    | 100%             | -   | -                | Hydro power projects              |
| Triton Energy Limited   | India   | 100%                                    | 100%             | -   | -                | Currently no principal activities |

\* These companies are step down subsidiaries of the Company.

\*\* Sale of 09 wholly owned subsidiaries were effected during 31 March 2018 and 10 wholly owned subsidiaries were effected during 31 March 2017 to certain promoter group entities.



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of RattanIndia Power Limited (Formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

## 46. Additional information required by Schedule III

(Amount in ₹ Lakhs)

| Name of entity  | 31 March 2018   |          |   |                                |  | 31 March 2017  |                                       |                           |   |                                   |  |                                  |
|---|---|----------|---|--------------------------------|--|--|---------------------------------------|---------------------------|---|-----------------------------------|--|----------------------------------|
|   | Net assets<br>(total assets minus<br>total liabilities) |          | Share of profit or (loss)                 |                                |  | Net assets (total assets<br>minus total liabilities) |                                       | Share of profit or (loss) |   |                                   |  |                                  |
|   | As % of<br>consolidated<br>net assets                   | Amounts  | As % of<br>consolidated<br>profit or loss | Consolidated<br>profit or loss | As % of<br>Consolidated<br>comprehensive<br>income | Total<br>Comprehensive<br>Income                     | As % of<br>consolidated<br>net assets | Amounts                   | As % of<br>consolidated<br>profit or loss | Consolidated<br>profit<br>or loss | As % of<br>Consolidated<br>comprehensive<br>income | Total<br>Comprehensive<br>income |
| Albina Water Supply and Waste Management Services Limited | 0.00%   | (0.56)   | 0.00%                                     | (0.18)                         | 0.00%  | (0.18)   | 0.00%                                 | (0.38)                    | 0.00%                                     | (0.16)                            | 0.00%  | (0.16)                           |
| Lucina Power And Infrastructure Limited                   | 0.00%   | (0.50)   | 0.00%                                     | (0.33)                         | 0.00%  | (0.33)   | 0.00%                                 | (0.17)                    | 0.00%                                     | (0.35)                            | 0.00%  | (0.35)                           |
| Aravali Properties Limited                                | 0.00%   | (2.68)   | 0.00%                                     | (0.15)                         | 0.00%  | (0.15)   | 0.00%                                 | (2.53)                    | 0.00%                                     | (0.61)                            | 0.00%  | (0.61)                           |
| Devona Power Limited                                      | 1.12%   | 2,806.50 | 0.07%                                     | (112.60)                       | 0.07%  | (112.60)   | 0.20%                                 | 819.10                    | 0.16%                                     | (101.19)                          | 0.15%  | (101.19)                         |
| Sentia Hydro Electric Power Limited                       | 0.00%   | (0.52)   | 0.00%                                     | (0.15)                         | 0.00%  | (0.15)   | 0.00%                                 | (0.37)                    | 0.00%                                     | (0.16)                            | 0.00%  | (0.16)                           |
| Sentia Hydro Energy Limited                               | 0.00%   | (0.58)   | 0.00%                                     | (0.15)                         | 0.00%  | (0.15)   | 0.00%                                 | (0.43)                    | 0.00%                                     | (0.16)                            | 0.00%  | (0.16)                           |
| Sentia Hydro Power Limited                                | 0.00%   | 3.64     | 0.00%                                     | (0.01)                         | 0.00%  | (0.01)   | 0.00%                                 | 3.65                      | 0.00%                                     | 0.01                              | 0.00%  | 0.01                             |
| Sentia Hydro Power Projects Limited                       | 0.00%   | 3.74     | 0.00%                                     | -                              | 0.00%  | -  | 0.00%                                 | 3.74                      | 0.00%                                     | 0.03                              | 0.00%  | 0.03                             |
| Devona Power Projects Limited                             | 0.00%   | 3.19     | 0.00%                                     | (0.02)                         | 0.00%  | (0.02)   | 0.00%                                 | 3.21                      | 0.00%                                     | -                                 | 0.00%  | -                                |
| Devona Power Infrastructure Limited                       | 0.00%   | (1.87)   | 0.00%                                     | (0.14)                         | 0.00%  | (0.14)   | 0.00%                                 | (1.73)                    | 0.00%                                     | (0.14)                            | 0.00%  | (0.14)                           |
| Albina Thermal Energy Limited                             | 0.00%   | 3.26     | 0.00%                                     | (0.03)                         | 0.00%  | (0.03)   | 0.00%                                 | 3.28                      | 0.00%                                     | -                                 | 0.00%  | -                                |
| Albina Thermal Power Limited                              | 0.00%   | 3.32     | 0.00%                                     | (0.02)                         | 0.00%  | (0.02)   | 0.00%                                 | 3.34                      | 0.00%                                     | -                                 | 0.00%  | -                                |
| Sentia Electricity Limited                                | 0.00%   | (0.60)   | 0.00%                                     | (0.12)                         | 0.00%  | (0.12)   | 0.00%                                 | (0.48)                    | 0.00%                                     | (0.15)                            | 0.00%  | (0.15)                           |
| Diana Power Limited                                       | 0.00%   | 2.70     | 0.00%                                     | (0.04)                         | 0.00%  | (0.04)   | 0.00%                                 | 2.74                      | 0.00%                                     | (0.02)                            | 0.00%  | (0.02)                           |
| Diana Energy Limited                                      | 0.01%   | 18.88    | 0.00%                                     | 0.62                           | 0.00%  | 0.62   | 0.00%                                 | 18.26                     | 0.00%                                     | 0.09                              | 0.00%  | 0.09                             |
| Devona Thermal Power and Infrastructure Limited           | 0.00%   | (10.89)  | 0.00%                                     | (0.16)                         | 0.00%  | (0.16)   | 0.00%                                 | (10.73)                   | 0.00%                                     | (0.61)                            | 0.00%  | (0.61)                           |
| Citra Thermal Power and Infrastructure Limited            | 0.00%   | (1.06)   | 0.00%                                     | (0.15)                         | 0.00%  | (0.15)   | 0.00%                                 | (0.90)                    | 0.00%                                     | (0.16)                            | 0.00%  | (0.16)                           |
| Selene Power Company Limited                              | 0.00%   | 7.51     | 0.00%                                     | 0.53                           | 0.00%  | 0.53   | 0.00%                                 | 6.99                      | 0.00%                                     | 0.53                              | 0.00%  | 0.53                             |
| Sentia Thermal Power and Infrastructure Limited           | 0.00%   | (1.91)   | 0.00%                                     | (0.13)                         | 0.00%  | (0.13)   | 0.00%                                 | (1.78)                    | 0.00%                                     | (0.60)                            | 0.00%  | (0.60)                           |
| Sepset Thermal Power and Infrastructure Limited           | 0.00%   | (1.81)   | 0.00%                                     | (0.13)                         | 0.00%  | (0.13)   | 0.00%                                 | (1.68)                    | 0.00%                                     | (0.61)                            | 0.00%  | (0.61)                           |
| Triton Energy Limited                                     | 0.00%   | (2.20)   | 0.00%                                     | (0.15)                         | 0.00%  | (0.15)   | 0.00%                                 | (2.05)                    | 0.00%                                     | (0.61)                            | 0.00%  | (0.61)                           |
| Sepila Hydropower Projects Limited                        | 0.00%   | (1.18)   | 0.00%                                     | (0.15)                         | 0.00%  | (0.15)   | 0.00%                                 | (1.03)                    | 0.00%                                     | (0.60)                            | 0.00%  | (0.60)                           |
| Kaya Hydropower Projects Limited                          | 0.00%   | 2.09     | 0.00%                                     | (0.07)                         | 0.00%  | (0.07)   | 0.00%                                 | 2.16                      | 0.00%                                     | (0.05)                            | 0.00%  | (0.05)                           |
| Tharang Warang Hydropower Projects Limited                | 0.00%   | (0.78)   | 0.00%                                     | (0.16)                         | 0.00%  | (0.16)   | 0.00%                                 | (0.61)                    | 0.00%                                     | (0.61)                            | 0.00%  | (0.61)                           |
| Airmid Power Limited                                      | 0.00%   | (3.47)   | 0.00%                                     | (0.17)                         | 0.00%  | (0.17)   | 0.00%                                 | (3.30)                    | 0.00%                                     | (0.62)                            | 0.00%  | (0.62)                           |
| Angina Power Limited                                      | 0.00%   | 0.90     | 0.00%                                     | (0.15)                         | 0.00%  | (0.15)   | 0.00%                                 | 1.05                      | 0.00%                                     | (0.60)                            | 0.00%  | (0.60)                           |
| Hecate Power Limited                                      | 0.00%   | 0.95     | 0.00%                                     | -                              | 0.00%  | -  | 0.00%                                 | 5.95                      | 0.00%                                     | 0.13                              | 0.00%  | 0.13                             |
| Hecate Power Services Limited                             | 0.00%   | 0.79     | 0.00%                                     | -                              | 0.00%  | -  | 0.00%                                 | 5.79                      | 0.00%                                     | 0.12                              | 0.00%  | 0.12                             |
| Hecate Thermal Power And Infrastructure Limited           | 0.00%   | 1.08     | 0.00%                                     | -                              | 0.00%  | -  | 0.00%                                 | 6.08                      | 0.00%                                     | 0.14                              | 0.00%  | 0.14                             |
| Hecate Power Generation Limited                           | 0.00%   | 0.93     | 0.00%                                     | -                              | 0.00%  | -  | 0.00%                                 | 5.93                      | 0.00%                                     | 0.13                              | 0.00%  | 0.13                             |
| Hecate Power Distributors Limited                         | 0.00%   | 0.92     | 0.00%                                     | -                              | 0.00%  | -  | 0.00%                                 | 5.92                      | 0.00%                                     | 0.13                              | 0.00%  | 0.13                             |
| Hecate Power & Energy Resources Limited                   | 0.00%   | 6.05     | 0.00%                                     | 0.10                           | 0.00%  | 0.10   | 0.00%                                 | 5.95                      | 0.00%                                     | 0.14                              | 0.00%  | 0.14                             |
| Poena Power Limited                                       | 0.00%   | 0.51     | 0.00%                                     | 0.06                           | 0.00%  | 0.06   | 0.00%                                 | 0.45                      | 0.00%                                     | 0.09                              | 0.00%  | 0.09                             |
| Hecate Energy Trading Limited                             | 0.00%   | 6.03     | 0.00%                                     | 0.10                           | 0.00%  | 0.10   | 0.00%                                 | 5.93                      | 0.00%                                     | 0.13                              | 0.00%  | 0.13                             |
| Hecate Energy Private Limited                             | 0.00%   | 6.08     | 0.00%                                     | 0.10                           | 0.00%  | 0.10   | 0.00%                                 | 5.97                      | 0.00%                                     | 0.14                              | 0.00%  | 0.14                             |
| Hecate Power Projects Limited                             | 0.00%   | (0.51)   | 0.00%                                     | (0.15)                         | 0.00%  | (0.15)   | 0.00%                                 | (0.36)                    | 0.00%                                     | (0.14)                            | 0.00%  | (0.14)                           |
| Poena Thermal Power Limited                               | 0.00%   | 6.02     | 0.00%                                     | 0.10                           | 0.00%  | 0.10   | 0.00%                                 | 5.93                      | 0.00%                                     | 0.13                              | 0.00%  | 0.13                             |
| Poena Power Services Limited                              | 0.00%   | 6.01     | 0.00%                                     | 0.10                           | 0.00%  | 0.10   | 0.00%                                 | 5.91                      | 0.00%                                     | 0.13                              | 0.00%  | 0.13                             |
| Poena Power Generation Limited                            | 0.00%   | 6.03     | 0.00%                                     | 0.10                           | 0.00%  | 0.10   | 0.00%                                 | 5.93                      | 0.00%                                     | 0.13                              | 0.00%  | 0.13                             |
| Poena Power Distributors Limited                          | 0.00%   | 6.05     | 0.00%                                     | 0.10                           | 0.00%  | 0.10   | 0.00%                                 | 5.95                      | 0.00%                                     | 0.13                              | 0.00%  | 0.13                             |
| Poena Hydro Power Projects Limited                        | 0.00%   | 5.93     | 0.00%                                     | 0.10                           | 0.00%  | 0.10   | 0.00%                                 | 5.83                      | 0.00%                                     | 0.13                              | 0.00%  | 0.13                             |

# Notes to the Consolidated Financial Statements (Contd.)

of RattanIndia Power Limited (Formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

| Name of entity   | 31 March 2018                                     |                   |                                     |                             |   | 31 March 2017                                     |                                 |                           |                                     |                            |
|--|---|-------------------|-------------------------------------|-----------------------------|---|---|---------------------------------|---------------------------|-------------------------------------|----------------------------|
|  | Net assets (total assets minus total liabilities) |                   | Share of profit or (loss)           |                             |   | Net assets (total assets minus total liabilities) |                                 | Share of profit or (loss) |                                     |                            |
|  | As % of consolidated net assets                   | Amounts           | As % of consolidated profit or loss | Consolidated profit or loss | As % of Consolidated comprehensive income | Total Comprehensive income                        | As % of consolidated net assets | Amounts                   | As % of consolidated profit or loss | Total Comprehensive income |
| Poena Power Trading Limited  | 0.00%   | 6.04              | 0.00%                               | 0.10                        | 0.00%                                     | 0.10  | 0.00%                           | 5.94                      | 0.00%                               | 0.14                       |
| Devona Power Development Limited   | 0.00%   | 3.40              | 0.00%                               | (0.02)                      | 0.00%                                     | (0.02)  | 0.00%                           | 3.42                      | 0.00%                               | 0.01                       |
| Albina Power Transmission Limited  | 0.00%   | 11.72             | 0.00%                               | 0.33                        | 0.00%                                     | 0.33  | 0.00%                           | 11.39                     | 0.00%                               | 0.37                       |
| Devona Power Generation Limited  | 0.00%   | 0.37              | 0.00%                               | (0.12)                      | 0.00%                                     | (0.12)  | 0.00%                           | 0.49                      | 0.00%                               | (0.55)                     |
| Hecate Power Development Limited   | 0.00%   | 6.01              | 0.00%                               | 0.10                        | 0.00%                                     | 0.10  | 0.00%                           | 5.92                      | 0.00%                               | 0.13                       |
| Hecate Power Systems Limited   | 0.00%   | 3.85              | 0.00%                               | (0.15)                      | 0.00%                                     | (0.15)  | 0.00%                           | 4.00                      | 0.00%                               | (0.14)                     |
| Hecate Power Management Limited  | 0.00%   | 0.89              | 0.00%                               | -                           | 0.00%                                     | -   | 0.00%                           | 5.89                      | 0.00%                               | 0.13                       |
| Hecate Power Supply Limited  | 0.00%   | 0.86              | 0.00%                               | -                           | 0.00%                                     | -   | 0.00%                           | 5.86                      | 0.00%                               | 0.12                       |
| Hecate Power Utility Limited   | 0.00%   | 5.57              | 0.00%                               | 0.08                        | 0.00%                                     | 0.08  | 0.00%                           | 5.50                      | 0.00%                               | 0.10                       |
| Hecate Power Transmission Limited  | 0.00%   | (0.76)            | 0.00%                               | (0.15)                      | 0.00%                                     | (0.15)  | 0.00%                           | (0.61)                    | 0.00%                               | (0.15)                     |
| Hecate Powergen Limited  | 0.00%   | 0.91              | 0.00%                               | -                           | 0.00%                                     | -   | 0.00%                           | 5.91                      | 0.00%                               | 0.12                       |
| Hecate Electric Limited  | 0.00%   | 4.56              | 0.00%                               | 0.03                        | 0.00%                                     | 0.03  | 0.00%                           | 4.53                      | 0.00%                               | 0.05                       |
| Poena Power Systems Limited  | 0.00%   | 0.36              | 0.00%                               | 0.10                        | 0.00%                                     | 0.10  | 0.00%                           | 0.26                      | 0.00%                               | 0.12                       |
| Poena Power Management Limited   | 0.00%   | (0.44)            | 0.00%                               | (0.15)                      | 0.00%                                     | (0.15)  | 0.00%                           | (0.28)                    | 0.00%                               | (0.16)                     |
| Poena Power Utility Limited  | 0.00%   | 6.07              | 0.00%                               | 0.14                        | 0.00%                                     | 0.14  | 0.00%                           | 5.93                      | 0.00%                               | 0.13                       |
| Poena Power Solutions Limited  | 0.00%   | 6.09              | 0.00%                               | 0.14                        | 0.00%                                     | 0.14  | 0.00%                           | 5.95                      | 0.00%                               | 0.14                       |
| Sentia Electric Limited  | 0.00%   | (0.63)            | 0.00%                               | (0.13)                      | 0.00%                                     | (0.13)  | 0.00%                           | (0.51)                    | 0.00%                               | (0.62)                     |
| Sentia Electricity Generation Limited  | 0.00%   | 3.32              | 0.00%                               | 0.01                        | 0.00%                                     | 0.01  | 0.00%                           | 3.31                      | 0.00%                               | 0.01                       |
| Albina Thermal Power Management Limited  | 0.00%   | 3.37              | 0.00%                               | 0.01                        | 0.00%                                     | 0.01  | 0.00%                           | 3.36                      | 0.00%                               | -                          |
| Devona Thermal Power Projects Limited  | 0.00%   | 3.39              | 0.00%                               | 0.02                        | 0.00%                                     | 0.02  | 0.00%                           | 3.37                      | 0.00%                               | 0.01                       |
| Albina Thermal Projects Limited  | 0.00%   | 3.32              | 0.00%                               | 0.02                        | 0.00%                                     | 0.02  | 0.00%                           | 3.30                      | 0.00%                               | -                          |
| Albina Power Trading Limited   | 0.09%   | 234.07            | 0.00%                               | 1.30                        | 0.00%                                     | 1.30  | 0.06%                           | 232.77                    | 0.00%                               | 0.89                       |
| Devona Power Distribution Limited  | 0.00%   | 0.72              | 0.00%                               | (0.09)                      | 0.00%                                     | (0.09)  | 0.00%                           | 0.81                      | 0.00%                               | (0.10)                     |
| Bracond Limited  | 25.82%  | 64,546.06         | 0.12%                               | (202.98)                    | 0.12%                                     | (202.98)  | 15.91%                          | 64,786.97                 | 0.21%                               | (133.97)                   |
| Genoformus Limited*  | 23.15%  | 57,870.75         | 0.00%                               | (4.02)                      | 0.00%                                     | (4.02)  | 14.17%                          | 57,691.96                 | 0.01%                               | (3.45)                     |
| Renmark Limited*   | 6.50%   | 16,242.96         | 0.00%                               | (4.02)                      | 0.00%                                     | (4.02)  | 3.98%                           | 16,195.69                 | 0.01%                               | (3.45)                     |
| Sentia Power Limited   | 0.00%   | 3.89              | 0.00%                               | (1.20)                      | 0.00%                                     | (1.20)  | 0.00%                           | 5.10                      | 0.00%                               | (1.21)                     |
| Poena Power Development Limited  | -0.01%  | (15.95)           | 0.00%                               | (6.53)                      | 0.00%                                     | (6.53)  | 0.00%                           | (9.43)                    | 0.01%                               | (5.97)                     |
| Sinnar Power Transmission Company Limited  | 2.01%   | 5,035.02          | 0.00%                               | (4.99)                      | 0.00%                                     | (4.99)  | 1.24%                           | 5,040.01                  | 0.00%                               | (2.71)                     |
| Elena Power And Infrastructure Limited   | -3.86%  | (9,639.24)        | 2.68%                               | (4,459.86)                  | 2.11%                                     | (3,480.74)  | -1.51%                          | (6,158.50)                | 2.48%                               | (4,441.20)                 |
| RattanIndia Nasik Power Limited (formerly known as Indiabulls Realetech Limited) | 42.43%  | 106,082.93        | 70.00%                              | (116,443.93)                | 70.66%                                    | (116,456.27)                                      | 49.61%                          | 201,967.85                | 46.98%                              | (29,618.39)                |
| IPL-PPSL Scheme Trust  | 0.03%   | 75.00             | 0.00%                               | -                           | 0.00%                                     | -   | 0.26%                           | 1,075.00                  | 0.00%                               | -                          |
| RattanIndia Power Limited  | 184.27%   | 460,737.68        | 25.15%                              | (41,837.68)                 | 25.37%                                    | (41,814.00)                                       | 121.79%                         | 495,795.97                | 50.83%                              | (32,071.25)                |
| Total Eliminations/ Consolidation Adjustment                                     | -182.53%  | (456,370.92)      | 2.28%                               | (3,797.17)                  | 1.98%                                     | (3,257.38)  | -108.09%                        | (440,007.67)              | 3.03%                               | (3,932.69)                 |
| <b>Total</b>   | <b>100.00%</b>                                    | <b>250,028.53</b> | <b>100.00%</b>                      | <b>(166,347.88)</b>         | <b>100.00%</b>                            | <b>(164,817.63)</b>                               | <b>100.00%</b>                  | <b>407,090.84</b>         | <b>100.00%</b>                      | <b>(67,972.11)</b>         |

## 47. Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006:

(Amount in ₹ Lakhs)

| Particulars   | 31 March 2018 | 31 March, 2017 |
|---|---------------|----------------|
| (i) Principal amount remaining unpaid to any supplier as at the end of the accounting year  | Nil           | Nil            |
| (ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year   | Nil           | Nil            |
| (iii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day  | Nil           | Nil            |
| (iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006   | Nil           | Nil            |
| (v) The amount of interest accrued and remaining unpaid at the end of the accounting year   | Nil           | Nil            |
| (vi) the amount of further interest remaining due and payable even in the succeeding years, until such date when interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of Micro, Small and Medium Enterprises Development Act, 2006 | Nil           | Nil            |

The above information and that given in Note 23 - 'Trade Payables' regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

48. The Group Company is engaged in power generation and the setting up of power projects for generating, transmitting and supplying all forms of electrical energy and to undertake allied/ incidental activities in connection therewith. Considering the nature of the Company's business and operations, and the information reviewed by the Chief Operating Decision Maker (CODM) to allocate resources and assess performance, the company has one reportable business segment i.e. "Power generation and allied activities" as per the requirements of Ind AS 108 - 'Operating Segments'. Revenue of ₹ 201,538.21, Lakhs (31 March 2017- ₹ 133,450.34 Lakhs) are derived from a single external customer and the Company operates in one geography.
49. In respect of amounts as mentioned under Section 125 of the Companies Act, 2013, there are no delays in transfer of dues required to be credited to the Investor Education and Protection Fund as at 31 March 2018. There were no dues required to be credited to the Investor Education and Protection Fund as at 31 March 2017.
50. On 10 January 2018, Parent Company has retrospectively amended the Inter Company Deposits (ICD) agreements with certain entities in which KMP has significant influence in respect of ICD interest of earlier periods to the extent not paid upto the date of agreement and for the period upto 31 March 2018. As per the revised terms unpaid interest, amounting to ₹ 6,172.68 Lakhs up to 31st March 2018, on such loans will accrue and become due only on future uncertain event. Accordingly, during the year ended 31 March 2018, Parent Company has reversed the interest accrued and not paid upto 31 December 2017 aggregating to ₹ 4,037.08 lakhs on such ICDs.
51. During the year, one of the lender of the Parent Company adjusted ₹ 7,789.54 lakh of its dues on the Parent Company, by invoking pledge on 1,000 lakh equity shares of the Parent Company issued to RR Infralands Limited (RRIL), a Company having significant influence. To replenish it, 'IPL-PPSL scheme trust' transferred 1,000 lakh equity shares to RRIL. Pursuant to this transaction, corpus of the 'IPL-PPSL trust' in the books of the Parent Company is reduced by ₹ 1,000 lakh being value of 1,000 lakh equity shares and balance ₹ 6,789.54 lakh has been credited to Capital Reserve.
52. The Group has incurred a loss of ₹ 164,817.63 lakh during the year ended 31 March 2018 (year ended 31 March 2017 ₹ 67,972.11 lakh), and as of that date, Group's accumulated losses from operations amounts to ₹ 350,549.44 lakh (as of 31 March 2017 ₹ 185,246.91 lakh) and its current liabilities exceed current assets by ₹ 397,585.41 lakh (year ended 31 March 2017 ₹ 182,897.61 lakh). The Parent Company continued to operate at sub-optimal levels due to lower demand from MSEDCIL and also short availability of coal during the year resulting in adverse impact on cash flow from operations and RNPL is yet to commence operations.

## Notes to the Consolidated Financial Statements (Contd.)

of RattanIndia Power Limited (Formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

Subsequent to defaults in payment of debt by the Parent Company as well as RNPL, the lenders of the Parent Company as well as RNPL invoked S4A and SDR respectively. However, subsequent to RBI's notification dated 12 February 2018, all debt restructuring schemes (including S4A and SDR) were repealed with immediate effect which impacted progress made by the Parent Company and RNPL under S4A and SDR respectively. As per the RBI notification, revised reference date was determined as 01 March 2018 and the Parent Company and RNPL now have time of six-months from the reference date for finalizing any resolution plan with lenders. The Parent Company and RNPL are in active discussion with lenders for successful resolution of debt. The lenders have shown interest in resolution of debt which in case of the Company, inter alia, includes conversion of part of the debt into equity shares and redeemable preferences shares and extension of maturity profile of remaining debt over a longer period. In case of RNPL, lenders have proposed restructuring of debt along with exploring the possibility of change of control of RNPL. The lenders of both the Parent Company and RNPL have appointed consultants to carry out necessary technical and legal due diligence and project valuations for the purpose of aforementioned resolution and restructuring.

These conditions indicate the existence of material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. However, in view of the ongoing discussions relating to restructuring of its borrowings and other debts with the lenders, better financial performance as a result of favorable business conditions expected in future and other mitigating factors mentioned in the aforesaid notes, these consolidated financial statements have been prepared on a going concern basis.

53. The consolidated financial statements include capital work in progress (CWIP) balance of ₹ 98,970 lakh (as of 31 March 2017: ₹ 99,009 lakh) and related capital advance (classified under other non-current assets) of ₹ 70,799 lakh (as of 31 March 2017: ₹ 75,487 lakh) in respect of 1350 MW power plant of the Parent Company as well as one its subsidiary RNPL. The construction activities at both these Projects are currently suspended. The management believes that the suspension is temporary and is not likely to lead to impairment of the aforementioned CWIP and Capital advances. For both the Projects, the Group has all necessary environmental clearances and infrastructure like land, railway, water connection and FSA (only in case of Company) which are difficult to secure in the current environment. Further the cost of setting up these plants is significantly lower than setting up a new plant due to common facilities available with the Group.

In view of the aforementioned factors along with external factors such as increasing power consumption and related demand in market, management is confident that the Projects are fully viable and hopeful of reviving these Projects at appropriate time. Considering these factors and the ongoing discussion with suppliers, the management believes, no impairment is required to the aforementioned carrying amount of CWIP and capital advance in these consolidated financial statements.

For **Walker Chandio & Co. LLP**  
Chartered Accountants

per **Neeraj Goel**  
Partner

Place: New Delhi  
Date: 18 May 2018

For and on behalf of the Board of Directors

**Rajiv Rattan**  
Chairman  
DIN: 00010849

**Jayant Kawale**  
Managing Director  
DIN: 00076038

**Samir Taneja**  
Chief Financial Officer

**Gaurav Toshkhani**  
Company Secretary

# Form AOC 1

(Pursuant to first proviso to sub-section(3) of section 129 of the Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014)

## Form AOC-1 (Pursuant to first proviso to sub-section(3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014) Statement Containing Salient features of the financial statement of subsidiaries/associates companies/ joint ventures

### Part "A": Subsidiaries

| S. No. | Name of Subsidiary   | Date of Acquisition | Reporting Period | Reporting Currency | Exchange rate | Share capital (₹ in Lakhs) | Other Equity (₹ in Lakhs) | Total Assets (₹ in Lakhs) | Total Liability (₹ in Lakhs) | Total Investments (₹ in Lakhs) | Revenue from operations (₹ in Lakhs) | Profit/(loss) before tax (₹ in Lakhs) | Tax Expense (₹ in Lakhs) | Profit/(loss) after Tax (₹ in Lakhs) | Total Comprehensive Income (₹ in Lakhs) | Proposed Dividend | % Shareholding |
|--------|--|---------------------|------------------|--------------------|---------------|----------------------------|---------------------------|---------------------------|------------------------------|--------------------------------|--------------------------------------|---------------------------------------|--------------------------|--------------------------------------|---|-------------------|----------------|
| 1      | Albina Water Supply and Waste Management Services Limited (formally known as Indiabulls Water Supply and Waste Management Services Limited)* | 17 May 2010         | 31 March 2018    | INR                | 1             | 9.09                       | (9.65)                    | 0.08                      | 0.63                         | -                              | -                                    | (0.18)                                | -                        | (0.18)                               | (0.18)                                  | -                 | 100%           |
| 2      | Lucina Power And Infrastructure Limited  | 3 December 2008     | 31 March 2018    | INR                | 1             | 12.00                      | (12.50)                   | 0.71                      | 1.22                         | -                              | -                                    | (0.33)                                | -                        | (0.33)                               | (0.33)                                  | -                 | 100%           |
| 3      | Aravali Properties Limited   | 3 December 2008     | 31 March 2018    | INR                | 1             | 41.00                      | (43.68)                   | 0.65                      | 3.33                         | -                              | -                                    | (0.15)                                | -                        | (0.15)                               | (0.15)                                  | -                 | 100%           |
| 4      | Devona Power Limited (formally known as Indiabulls Power Generation Limited)   | 3 December 2008     | 31 March 2018    | INR                | 1             | 2,150.00                   | 656.50                    | 2,918.80                  | 112.30                       | 1.27                           | -                                    | (173.41)                              | (60.81)                  | (112.60)                             | (112.60)                                | -                 | 74%            |
| 5      | Sentia Hydro Electric Power Limited (formally known as Indiabulls Hydro Electric Power Limited)  | 3 December 2008     | 31 March 2018    | INR                | 1             | 12.62                      | (13.13)                   | 0.06                      | 0.58                         | -                              | -                                    | (0.15)                                | -                        | (0.15)                               | (0.15)                                  | -                 | 100%           |
| 6      | Sentia Hydro Energy Limited (formally known as Indiabulls Hydro Energy Limited)  | 3 December 2008     | 31 March 2018    | INR                | 1             | 22.55                      | (23.13)                   | 0.05                      | 0.63                         | -                              | -                                    | (0.15)                                | -                        | (0.15)                               | (0.15)                                  | -                 | 100%           |
| 7      | Sentia Hydro Power Limited (formally known as Indiabulls Hydro Power Limited)  | 3 December 2008     | 31 March 2018    | INR                | 1             | 5.00                       | (1.36)                    | 3.76                      | 0.12                         | 3.53                           | -                                    | (0.01)                                | -                        | (0.01)                               | (0.01)                                  | -                 | 100%           |
| 8      | Sentia Hydro Power Projects Limited (formally known as Indiabulls Hydro Power Projects Limited)  | 3 December 2008     | 31 March 2018    | INR                | 1             | 5.00                       | (1.26)                    | 3.86                      | 0.12                         | 3.60                           | -                                    | -                                     | -                        | -                                    | -                                       | -                 | 100%           |
| 9      | Devona Power Projects Limited (formally known as Indiabulls Power Projects Limited)  | 3 December 2008     | 31 March 2018    | INR                | 1             | 5.00                       | (1.81)                    | 3.31                      | 0.12                         | 3.03                           | -                                    | (0.02)                                | -                        | (0.02)                               | (0.02)                                  | -                 | 100%           |

## Form AOC 1 (Contd.)

(Pursuant to first proviso to sub-section(3) of section 129 of the Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014)

| S. No. | Name of Subsidiary  | Date of Acquisition | Reporting Period | Reporting Currency | Exchange rate | Share capital (₹ in Lakhs) | Other Equity (₹ in Lakhs) | Total Assets (₹ in Lakhs) | Total Liability (₹ in Lakhs) | Total Investments (₹ in Lakhs) | Revenue from operations (₹ in Lakhs) | Profit/(loss) before tax (₹ in Lakhs) | Tax Expense (₹ in Lakhs) | Profit/(loss) after Tax (₹ in Lakhs) | Total Comprehensive Income (₹ in Lakhs) | Proposed Dividend | % Shareholding |
|--------|---|---------------------|------------------|--------------------|---------------|----------------------------|---------------------------|---------------------------|------------------------------|--------------------------------|--------------------------------------|---------------------------------------|--------------------------|--------------------------------------|---|-------------------|----------------|
| 10     | Devona Power Infrastructure Limited (formally known as Indiabulls Power Infrastructure Limited) | 3 December 2008     | 31 March 2018    | INR                | 1             | 45.00                      | (46.87)                   | 0.05                      | 1.92                         | -                              | -                                    | (0.14)                                | -                        | (0.14)                               | (0.14)                                  | -                 | 100%           |
| 11     | Albina Thermal Energy Limited (formally known as Indiabulls Thermal Energy Limited)             | 3 December 2008     | 31 March 2018    | INR                | 1             | 5.00                       | (1.74)                    | 3.38                      | 0.12                         | 3.14                           | -                                    | (0.03)                                | -                        | (0.03)                               | (0.03)                                  | -                 | 100%           |
| 12     | Albina Thermal Power Limited (formally known as Indiabulls Thermal Power Limited)               | 3 December 2008     | 31 March 2018    | INR                | 1             | 5.00                       | (1.68)                    | 3.44                      | 0.12                         | 3.14                           | -                                    | (0.02)                                | -                        | (0.02)                               | (0.02)                                  | -                 | 100%           |
| 13     | Sentia Electricity Limited (formally known as Indiabulls Electricity Company Limited)           | 3 December 2008     | 31 March 2018    | INR                | 1             | 16.00                      | (16.60)                   | 0.08                      | 0.69                         | -                              | -                                    | (0.12)                                | -                        | (0.12)                               | (0.12)                                  | -                 | 100%           |
| 14     | Diana Power Limited   | 3 December 2008     | 31 March 2018    | INR                | 1             | 5.00                       | (2.30)                    | 2.82                      | 0.12                         | 2.56                           | -                                    | (0.04)                                | -                        | (0.04)                               | (0.04)                                  | -                 | 100%           |
| 15     | Diana Energy Limited  | 3 December 2008     | 31 March 2018    | INR                | 1             | 50.00                      | (31.12)                   | 19.41                     | 0.53                         | 19.32                          | -                                    | 0.62                                  | -                        | 0.62                                 | 0.62                                    | -                 | 74%            |
| 16     | Devona Thermal Power and Infrastructure Limited   | 3 December 2008     | 31 March 2018    | INR                | 1             | 115.00                     | (125.89)                  | 0.27                      | 11.16                        | -                              | -                                    | (0.16)                                | -                        | (0.16)                               | (0.16)                                  | -                 | 100%           |
| 17     | Citra Thermal Power and Infrastructure Limited  | 3 December 2008     | 31 March 2018    | INR                | 1             | 20.00                      | (21.06)                   | 0.11                      | 1.17                         | -                              | -                                    | (0.15)                                | -                        | (0.15)                               | (0.15)                                  | -                 | 100%           |
| 18     | Selene Power Company Limited  | 3 December 2008     | 31 March 2018    | INR                | 1             | 5.00                       | 2.51                      | 16.08                     | 8.57                         | 15.80                          | -                                    | 0.53                                  | -                        | 0.53                                 | 0.53                                    | -                 | 100%           |
| 19     | Sentia Thermal Power and Infrastructure Limited   | 3 December 2008     | 31 March 2018    | INR                | 1             | 6.89                       | (8.80)                    | 0.16                      | 2.07                         | -                              | -                                    | (0.13)                                | -                        | (0.13)                               | (0.13)                                  | -                 | 100%           |
| 20     | Sepset Thermal Power and Infrastructure Limited   | 3 December 2008     | 31 March 2018    | INR                | 1             | 5.60                       | (7.41)                    | 0.20                      | 2.01                         | -                              | -                                    | (0.13)                                | -                        | (0.13)                               | (0.13)                                  | -                 | 100%           |
| 21     | Triton Energy Limited   | 3 December 2008     | 31 March 2018    | INR                | 1             | 5.00                       | (7.20)                    | 0.11                      | 2.31                         | -                              | -                                    | (0.15)                                | -                        | (0.15)                               | (0.15)                                  | -                 | 100%           |
| 22     | Sepla Hydropower Projects Limited   | 3 December 2008     | 31 March 2018    | INR                | 1             | 6.00                       | (7.18)                    | 108.62                    | 109.80                       | -                              | -                                    | (0.15)                                | -                        | (0.15)                               | (0.15)                                  | -                 | 100%           |
| 23     | Kaya Hydropower Projects Limited  | 3 December 2008     | 31 March 2018    | INR                | 1             | 5.00                       | (2.91)                    | 99.69                     | 97.60                        | 2.15                           | -                                    | (0.07)                                | -                        | (0.07)                               | (0.07)                                  | -                 | 100%           |
| 24     | Tharang Warang Hydropower Projects Limited  | 3 December 2008     | 31 March 2018    | INR                | 1             | 25.00                      | (25.78)                   | 96.66                     | 97.43                        | -                              | -                                    | (0.16)                                | -                        | (0.16)                               | (0.16)                                  | -                 | 100%           |

(Pursuant to first proviso to sub-section(3) of section 129 of the Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014)

| S. No. | Name of Subsidiary  | Date of Acquisition | Reporting Period | Reporting Currency | Exchange rate | Share capital (₹ in Lakhs) | Other Equity (₹ in Lakhs) | Total Assets (₹ in Lakhs) | Total Liability (₹ in Lakhs) | Total Investments (₹ in Lakhs) | Revenue from operations (₹ in Lakhs) | Profit/(loss) before tax (₹ in Lakhs) | Tax Expense (₹ in Lakhs) | Profit/(loss) after Tax (₹ in Lakhs) | Total Comprehensive Income (₹ in Lakhs) | Proposed Dividend | % Shareholding |
|--------|---|---------------------|------------------|--------------------|---------------|----------------------------|---------------------------|---------------------------|------------------------------|--------------------------------|--------------------------------------|---------------------------------------|--------------------------|--------------------------------------|---|-------------------|----------------|
| 25     | Airmid Power Limited  | 3 December 2008     | 31 March 2018    | INR                | 1             | 33.00                      | (36.47)                   | 0.06                      | 3.53                         | -                              | -                                    | (0.17)                                | -                        | (0.17)                               | (0.17)                                  | -                 | 100%           |
| 26     | Angina Power Limited  | 3 December 2008     | 31 March 2018    | INR                | 1             | 5.00                       | (4.11)                    | 64.62                     | 63.72                        | -                              | -                                    | (0.15)                                | -                        | (0.15)                               | (0.15)                                  | -                 | 100%           |
| 27     | Hecate Power and Energy Resources Limited   | 3 December 2008     | 31 March 2018    | INR                | 1             | 5.00                       | 1.05                      | 6.17                      | 0.12                         | 6.03                           | -                                    | 0.10                                  | -                        | 0.10                                 | 0.10                                    | -                 | 100%           |
| 28     | Poena Power Limited   | 3 December 2008     | 31 March 2018    | INR                | 1             | 7.00                       | (6.49)                    | 5.23                      | 4.72                         | 5.13                           | -                                    | 0.06                                  | -                        | 0.06                                 | 0.06                                    | -                 | 81.43%         |
| 29     | Hecate Energy Trading Limited   | 3 December 2008     | 31 March 2018    | INR                | 1             | 5.00                       | 1.03                      | 6.15                      | 0.12                         | 6.01                           | -                                    | 0.10                                  | -                        | 0.10                                 | 0.10                                    | -                 | 100%           |
| 30     | Hecate Energy Private Limited   | 3 December 2008     | 31 March 2018    | INR                | 1             | 5.00                       | 1.08                      | 6.31                      | 0.23                         | 6.16                           | -                                    | 0.10                                  | -                        | 0.10                                 | 0.10                                    | -                 | 100%           |
| 31     | Hecate Power Projects Limited   | 3 December 2008     | 31 March 2018    | INR                | 1             | 5.92                       | (6.43)                    | 0.16                      | 0.67                         | -                              | -                                    | (0.15)                                | -                        | (0.15)                               | (0.15)                                  | -                 | 100%           |
| 32     | Poena Thermal Power Limited   | 3 December 2008     | 31 March 2018    | INR                | 1             | 5.00                       | 1.02                      | 6.14                      | 0.12                         | 6.00                           | -                                    | 0.10                                  | -                        | 0.10                                 | 0.10                                    | -                 | 100%           |
| 33     | Poena Power Services Limited  | 3 December 2008     | 31 March 2018    | INR                | 1             | 5.00                       | 1.01                      | 6.12                      | 0.12                         | 5.98                           | -                                    | 0.10                                  | -                        | 0.10                                 | 0.10                                    | -                 | 100%           |
| 34     | Poena Power Generation Limited  | 3 December 2008     | 31 March 2018    | INR                | 1             | 5.00                       | 1.03                      | 6.15                      | 0.12                         | 6.10                           | -                                    | 0.10                                  | -                        | 0.10                                 | 0.10                                    | -                 | 100%           |
| 35     | Poena Power Distributors Limited  | 3 December 2008     | 31 March 2018    | INR                | 1             | 5.00                       | 1.05                      | 6.17                      | 0.12                         | 6.12                           | -                                    | 0.10                                  | -                        | 0.10                                 | 0.10                                    | -                 | 100%           |
| 36     | Poena Hydro Power Projects Limited  | 3 December 2008     | 31 March 2018    | INR                | 1             | 5.00                       | 0.93                      | 6.04                      | 0.12                         | 6.00                           | -                                    | 0.10                                  | -                        | 0.10                                 | 0.10                                    | -                 | 100%           |
| 37     | Poena Power Trading Limited   | 3 December 2008     | 31 March 2018    | INR                | 1             | 5.00                       | 1.04                      | 6.16                      | 0.12                         | 6.11                           | -                                    | 0.10                                  | -                        | 0.10                                 | 0.10                                    | -                 | 100%           |
| 38     | Devona Power Development Limited (formerly known as Indiabulls Power Development Limited)       | 3 December 2008     | 31 March 2018    | INR                | 1             | 5.00                       | (1.60)                    | 3.52                      | 0.12                         | 3.48                           | -                                    | (0.02)                                | -                        | (0.02)                               | (0.02)                                  | -                 | 100%           |
| 39     | Albina Power Transmission Limited (formerly known as Indiabulls Power Transmission Limited)     | 3 December 2008     | 31 March 2018    | INR                | 1             | 10.00                      | 1.72                      | 11.84                     | 0.12                         | 11.79                          | -                                    | 0.33                                  | -                        | 0.33                                 | 0.33                                    | -                 | 100%           |
| 40     | Devona Power Generation Limited (formerly known as Indiabulls Power Generation Company Limited) | 3 December 2008     | 31 March 2018    | INR                | 1             | 5.00                       | (4.63)                    | 0.90                      | 0.53                         | -                              | -                                    | (0.12)                                | -                        | (0.12)                               | (0.12)                                  | -                 | 100%           |

# Form AOC 1 (Contd.)

(Pursuant to first proviso to sub-section(3) of section 129 of the Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014)

| S. No. | Name of Subsidiary  | Date of Acquisition | Reporting Period | Reporting Currency | Exchange rate | Share capital (₹ in Lakhs) | Other Equity (₹ in Lakhs) | Total Assets (₹ in Lakhs) | Total Liability (₹ in Lakhs) | Total Investments (₹ in Lakhs) | Revenue from operations (₹ in Lakhs) | Profit/(loss) before tax (₹ in Lakhs) | Tax Expense (₹ in Lakhs) | Profit/(loss) after Tax (₹ in Lakhs) | Total Comprehensive Income (₹ in Lakhs) | Proposed Dividend | % Shareholding |
|--------|---|---------------------|------------------|--------------------|---------------|----------------------------|---------------------------|---------------------------|------------------------------|--------------------------------|--------------------------------------|---------------------------------------|--------------------------|--------------------------------------|---|-------------------|----------------|
| 41     | Hecate Power Development Limited  | 3 December 2008     | 31 March 2018    | INR                | 1             | 5.00                       | 1.01                      | 6.13                      | 0.12                         | 6.09                           | -                                    | 0.10                                  | -                        | 0.10                                 | 0.10                                    | -                 | 100%           |
| 42     | Hecate Power Systems Limited  | 3 December 2008     | 31 March 2018    | INR                | 1             | 5.00                       | (1.15)                    | 14.59                     | 10.74                        | -                              | -                                    | (0.15)                                | -                        | (0.15)                               | (0.15)                                  | -                 | 100%           |
| 43     | Hecate Power Utility Limited  | 3 December 2008     | 31 March 2018    | INR                | 1             | 5.00                       | 0.57                      | 5.69                      | 0.12                         | 5.65                           | -                                    | 0.08                                  | -                        | 0.08                                 | 0.08                                    | -                 | 100%           |
| 44     | Hecate Power Transmission Limited   | 3 December 2008     | 31 March 2018    | INR                | 1             | 12.27                      | (13.03)                   | 0.10                      | 0.85                         | -                              | -                                    | (0.15)                                | -                        | (0.15)                               | (0.15)                                  | -                 | 80.03%         |
| 45     | Hecate Electric Limited   | 3 December 2008     | 31 March 2018    | INR                | 1             | 5.00                       | (0.44)                    | 4.68                      | 0.12                         | 4.64                           | -                                    | 0.03                                  | -                        | 0.03                                 | 0.03                                    | -                 | 100%           |
| 46     | Poana Power Systems Limited   | 3 December 2008     | 31 March 2018    | INR                | 1             | 9.50                       | (9.14)                    | 6.21                      | 5.85                         | 6.05                           | -                                    | 0.10                                  | -                        | 0.10                                 | 0.10                                    | -                 | 100%           |
| 47     | Poana Power Management Limited  | 3 December 2008     | 31 March 2018    | INR                | 1             | 5.00                       | (5.44)                    | 0.05                      | 0.48                         | -                              | -                                    | (0.15)                                | -                        | (0.15)                               | (0.15)                                  | -                 | 100%           |
| 48     | Poana Power Utility Limited   | 3 December 2008     | 31 March 2018    | INR                | 1             | 5.00                       | 1.07                      | 6.17                      | 0.10                         | 6.10                           | -                                    | 0.14                                  | -                        | 0.14                                 | 0.14                                    | -                 | 100%           |
| 49     | Poana Power Solutions Limited   | 3 December 2008     | 31 March 2018    | INR                | 1             | 5.00                       | 1.09                      | 6.19                      | 0.10                         | 6.12                           | -                                    | 0.14                                  | -                        | 0.14                                 | 0.14                                    | -                 | 100%           |
| 50     | Sentia Electric Limited (formerly known as Indiabulls Electric Company Limited)                         | 3 December 2008     | 31 March 2018    | INR                | 1             | 5.00                       | (5.63)                    | 0.08                      | 0.71                         | -                              | -                                    | (0.13)                                | -                        | (0.13)                               | (0.13)                                  | -                 | 100%           |
| 51     | Sentia Electricity Generation Limited (formerly known as Indiabulls Electricity Generation Limited)     | 3 December 2008     | 31 March 2018    | INR                | 1             | 5.00                       | (1.68)                    | 3.42                      | 0.10                         | 3.38                           | -                                    | 0.01                                  | -                        | 0.01                                 | 0.01                                    | -                 | 100%           |
| 52     | Albina Thermal Power Management Limited (formerly known as Indiabulls Thermal Power Management Limited) | 3 December 2008     | 31 March 2018    | INR                | 1             | 5.00                       | (1.63)                    | 3.47                      | 0.10                         | 3.42                           | -                                    | 0.01                                  | -                        | 0.01                                 | 0.01                                    | -                 | 100%           |
| 53     | Devona Thermal Power Projects Limited (formerly known as Indiabulls Thermal Power Projects Limited)     | 3 December 2008     | 31 March 2018    | INR                | 1             | 5.00                       | (1.61)                    | 3.49                      | 0.10                         | 3.44                           | -                                    | 0.02                                  | -                        | 0.02                                 | 0.02                                    | -                 | 100%           |
| 54     | Albina Thermal Projects Limited (formerly known as Indiabulls Thermal Projects Limited)                 | 3 December 2008     | 31 March 2018    | INR                | 1             | 5.00                       | (1.68)                    | 3.42                      | 0.10                         | 3.37                           | -                                    | 0.02                                  | -                        | 0.02                                 | 0.02                                    | -                 | 100%           |



# Form AOC 1 (Contd.)

(Pursuant to first proviso to sub-section(3) of section 129 of the Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014)

| S. No. | Name of Subsidiary  | Date of Acquisition | Reporting Period | Reporting Currency | Exchange rate | Share capital (₹ in Lakhs) | Other Equity (₹ in Lakhs) | Total Assets (₹ in Lakhs) | Total Liability (₹ in Lakhs) | Total Investments (₹ in Lakhs) | Revenue from operations (₹ in Lakhs) | Profit/(loss) before tax (₹ in Lakhs) | Tax Expense (₹ in Lakhs) | Profit/(loss) after Tax (₹ in Lakhs) | Total Comprehensive Income (₹ in Lakhs) | Proposed Dividend | % Shareholding |
|--------|---|---------------------|------------------|--------------------|---------------|----------------------------|---------------------------|---------------------------|------------------------------|--------------------------------|--------------------------------------|---------------------------------------|--------------------------|--------------------------------------|---|-------------------|----------------|
| 55     | Albina Power Trading Limited (formally known as Indiabulls Power Trading Limited)           | 3 December 2008     | 31 March 2018    | INR                | 1             | 175.00                     | 59.07                     | 234.58                    | 0.51                         | 34.32                          | -                                    | 1.30                                  | -                        | 1.30                                 | 1.30                                    | -                 | 100%           |
| 56     | Devona Power Distribution Limited (formally known as Indiabulls Power Distribution Limited) | 3 December 2008     | 31 March 2018    | INR                | 1             | 5.00                       | (4.28)                    | 0.93                      | 0.21                         | 0.76                           | -                                    | (0.09)                                | -                        | (0.09)                               | (0.09)                                  | -                 | 100%           |
| 57     | Bracond Limited   | 12 August 2008      | 31 March 2018    | USD                | 64.18         | 43,277.11                  | 21,509.86                 | 76,161.85                 | 11,374.88                    | 76,161.85                      | -                                    | (133.97)                              | -                        | (133.97)                             | (133.97)                                | -                 | 100%           |
| 58     | Genoformus Limited*   | 26 August 2008      | 31 March 2018    | USD                | 64.18         | 1.37                       | 57,690.58                 | 57,706.35                 | 14.40                        | -                              | -                                    | (3.45)                                | -                        | (3.45)                               | (3.45)                                  | -                 | 100%           |
| 59     | Renemark Limited*   | 23 August 2008      | 31 March 2018    | USD                | 64.18         | 1.37                       | 16,194.32                 | 16,209.65                 | 13.96                        | -                              | -                                    | (3.45)                                | -                        | (3.45)                               | (3.45)                                  | -                 | 100%           |
| 60     | Sentia Power Limited (formally known as Indiabulls CSEB Bhayathan Power Limited)            | 3 December 2008     | 31 March 2018    | INR                | 1             | 207.40                     | (203.51)                  | 35.86                     | 31.96                        | -                              | -                                    | (1.20)                                | -                        | (1.20)                               | (1.20)                                  | -                 | 100%           |
| 61     | Poena Power Development Limited   | 3 December 2008     | 31 March 2018    | INR                | 1             | 5.00                       | (20.95)                   | 24,029.31                 | 24,045.26                    | -                              | -                                    | (6.53)                                | -                        | (6.53)                               | (6.53)                                  | -                 | 100%           |
| 62     | Sinnar Power Transmission Company Limited*  | 3 December 2008     | 31 March 2018    | INR                | 1             | 92.00                      | 4,943.02                  | 21,177.33                 | 16,142.32                    | -                              | -                                    | (4.99)                                | -                        | (4.99)                               | (4.99)                                  | -                 | 100%           |
| 63     | Amravati Power Transmission Company Limited   | 3 December 2008     | 31 March 2018    | INR                | 1             | -                          | 2,279.30                  | -                         | (2,279.30)                   | -                              | 3,901.10                             | 727.53                                | 201.11                   | 526.43                               | 526.43                                  | -                 | 100%           |
| 64     | Elena Power And Infrastructure Limited  | 3 December 2008     | 31 March 2018    | INR                | 1             | 500.00                     | (10,139.24)               | 50,040.53                 | 59,679.77                    | -                              | 12,042.66                            | (4,459.86)                            | -                        | (4,459.86)                           | (3,480.74)                              | -                 | 100%           |
| 65     | IPL-PPSL Scheme Trust   | 1 April 2011        | 31 March 2018    | INR                | 1             | 750.00                     | (675.00)                  | 750.00                    | -                            | 750.00                         | -                                    | -                                     | -                        | -                                    | -                                       | -                 | 100%           |
| 66     | RattanIndia Nasik Power Limited (formally known as Indiabulls Reatech Limited)              | 3 December 2008     | 31 March 2018    | INR                | 1             | 3,197.72                   | 1,02,885.18               | 9,80,719.00               | 8,74,636.10                  | 5,358.17                       | -                                    | (1,15,962.16)                         | 481.81                   | (1,16,443.98)                        | (1,16,456.32)                           | -                 | 100%           |

\* These companies are step down subsidiaries of the Company.

# Form AOC 1 (Contd.)

(Pursuant to first proviso to sub-section(3) of section 129 of the Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014)

| Names of subsidiaries which have been sold during the year |   |  |   |   |
|--|---|--|---|---|
| Hecate Power Distributors Limited                          | Amravati Power Transmission Company Limited | Hecate Power Limited                       | Hecate Power Services Limited                   | Hecate Thermal Power And Infrastructure Limited |
| Hecate Power Generation Limited                            | Hecate Power Management Limited             | Hecate Power Supply Limited                | Hecate Powergen Limited                         |   |
| Names of subsidiaries which are yet to commence operations |   |  |   |   |
| Airmid Power Limited                                       | Hecate Power Development Limited            | Sentia Hydro Power Projects Limited        | Devona Thermal Power Projects Limited           | Poena Hydro Power Projects Limited              |
| Angina Power Limited                                       | Hecate Power Projects Limited               | Devona Power Development Limited           | Albina Thermal Projects Limited                 | Poena Power Distributors Limited                |
| Aravali Properties Limited                                 | Hecate Power Systems Limited                | Devona Power Distribution Limited          | Lucina Power And Infrastructure Limited         | Poena Power Generation Limited                  |
| Bracond Limited  | Hecate Power Transmission Limited           | Devona Power Generation Limited            | Poana Power Systems Limited                     | Poena Power Limited                             |
| Citra Thermal Power And Infrastructure Limited             | Hecate Power Utility Limited                | Devona Power Limited                       | Poena Power Solutions Limited                   | Poena Power Management Limited                  |
| Devona Thermal Power And Infrastructure Limited            | Poena Power Services Limited                | Devona Power Infrastructure Limited        | Triton Energy Limited                           | Poena Power Services Limited                    |
| Diana Energy Limited                                       | Sepla Hydropower Projects Limited           | Tharang Warang Hydropower Projects Limited | Poena Power Trading Limited                     |   |
| Diana Power Limited  | Sentia Power Limited                        | Devona Power Projects Limited              | Poena Power Utility Limited                     |   |
| Genoformus Limited   | Sentia Electric Limited                     | Albina Power Trading Limited               | Poena Thermal Power Limited                     |   |
| Hecate Electric Limited                                    | Sentia Electricity Limited                  | Albina Power Transmission Limited          | Renemark Limited                                |   |
| Hecate Energy Private Limited                              | Sentia Electricity Generation Limited       | Kaya Hydropower Projects Limited           | Selene Power Company Limited                    |   |
| Hecate Energy Trading Limited                              | Sentia Hydro Electric Power Limited         | Albina Thermal Energy Limited              | Sentia Thermal Power And Infrastructure Limited |   |
| Hecate Power And Energy Resources Limited                  | Sentia Hydro Energy Limited                 | Albina Thermal Power Limited               | Sepset Thermal Power And Infrastructure Limited |   |
| Albina Water Supply and Waste Management Services Limited  | Sentia Hydro Power Limited                  | Albina Thermal Power Management Limited    |   |   |

**Part “B”: Associates and Joint Ventures**

(Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Venture)

| S. No | Name of Associates/ Joint Ventures  | Name 1 |
|-------|---|--------|
| 1     | Latest audited Balance Sheet Date   | N.A.   |
| 2     | Date on which the Associate or Joint Venture was associated or acquired   |        |
| 3     | Shares of Associate/Joint Ventures held by the company on the year end    |        |
|       | Number of shares  |        |
|       | Amount of Investment in Associates/Joint Venture                          |        |
|       | Extend of Holding %   |        |
| 4     | Description of how there is significant influence                         |        |
| 5     | Reason why the associate/joint venture is not consolidated                |        |
| 6     | Networth attributable to Shareholding as per latest audited Balance Sheet |        |
| 7     | Profit / Loss for the year  |        |
| i     | Considered in Consolidation   |        |
| ii    | Not Considered in Consolidation   |        |

**Additional Disclosures:**

- Names of associates or joint ventures which are yet to commence operations N.A.
- Names of associates or joint ventures which have been liquidated or sold during the year N.A.

**For and on behalf of the Board of Directors**

**Rajiv Rattan**  
Chairman  
DIN: 00010849

**Jayant Kawale**  
Managing Director  
DIN: 00076038

**Samir Taneja**  
Chief Financial Officer

**Gaurav Toshkhani**  
Company Secretary

Place: New Delhi  
Date: 18 May 2018

# Independent Auditor's Report

**To the Members of RattanIndia Power Limited (formerly Indiabulls Power Limited.)**

## **Report on the Standalone Financial Statements**

1. We have audited the accompanying standalone financial statements of RattanIndia Power Limited (formerly Indiabulls Power Limited.) ('the Company'), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

## **Management's Responsibility for the Standalone Financial Statements**

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## **Auditor's Responsibility**

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these standalone financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on these standalone financial statements.

## **Basis for Qualified Opinion**

8. As explained in Note 55 to the accompanying standalone financial statements, the Company has a non-current investment of ₹ 302,621.45 lakhs in, inter corporate deposits (classified as loans under current financial assets) of ₹ 4,865.37 lakhs and trade receivable of ₹ 532.65 lakhs recoverable from RattanIndia Nasik Power Limited, a wholly-owned subsidiary of the Company, as at 31 March 2018. The subsidiary company has incurred losses since its inception and is yet to commence operations. The accumulated losses in the subsidiary company amount to ₹ 196,543.21 lakhs as at 31 March 2018, and the management of the subsidiary company has determined that a material uncertainty exists, as at 31 March 2018, that may cast significant doubt about the subsidiary company's ability to continue as a going concern. However, in the absence of any impairment assessment performed by the management, we are unable to obtain sufficient appropriate evidence to comment on any adjustment that may be required to be made to the carrying values of the above mentioned non-current investment, inter corporate deposits and trade receivables as at 31 March 2018, and the consequential impact on the accompanying standalone financial statements.
9. As referred in Note 56, the Company has a non-current investment of ₹ 43,277.11 lakhs in and inter corporate deposits (classified as loans under non-current assets) of ₹ 11,560.76 lakhs recoverable from Bracond Limited, a wholly-owned

subsidiary of the Company, as at 31 March 2018. In the absence of any impairment assessment performed by the management, we are unable to obtain sufficient appropriate evidence to comment on any adjustment that may be required to be made to the carrying values of the above mentioned non-current investment and inter corporate deposits as at 31 March 2018, and the consequential impact on the accompanying standalone financial statements.

## Qualified Opinion

10. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2018, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

## Material Uncertainty Related to Going Concern

11. We draw attention to Note 53 to the standalone financial statements which indicate that the Company has incurred a net loss of ₹ 41,814.00 lakhs during the year ended 31 March 2018 and, as of that date, the Company's accumulated losses from operations amounted to ₹ 132,521.21 lakhs and its current liabilities exceed current assets by ₹ 243,830.28 lakhs. The Company has also made defaults in repayment of borrowings from banks, including interest, by an amount aggregating ₹ 128,078.66 lakhs up till 31 March 2018. These conditions along with other matters as set forth in such note, indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, in view of the ongoing discussions relating to restructuring of its borrowings and other debts with the lenders, better financial performance as a result of favorable business conditions expected in future and other mitigating factors mentioned in the aforesaid note, the management is of the view that going concern basis of accounting is appropriate. Our opinion is not modified in respect of this matter.

## Emphasis of Matters

12. We draw attention to Note 54 to the accompanying standalone financial statements with respect to capital work-in-progress (CWIP) and capital advances (classified under other non-current assets), aggregating to ₹ 54,889.84 crores and ₹ 35,399.49 lakhs respectively, outstanding as at 31 March 2018, pertaining to construction of second 1350 MW power plant of the Company which is currently suspended. Based on expected revival of the project and other factors described in the aforesaid note, the management believes that no adjustment is required to the carrying value of the aforesaid balances. Our opinion is not modified in respect of this matter.

## Report on Other Legal and Regulatory Requirements

13. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
14. Further to our comments in Annexure A, as required by Section 143(3) of the Act, we report that:
  - a) we have sought and except for the possible effect of the matters described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) the standalone financial statements dealt with by this report are in agreement with the books of account;
  - d) except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under Section 133 of the Act;
  - e) the matters described in paragraph 8 and 9 under the Basis for Qualified Opinion, paragraph 11 under Material Uncertainty Related to Going Concern and paragraph 12 under Emphasis of Matter Paragraph, in our opinion, may have an adverse effect on the functioning of the Company;

## Independent Auditor's Report *(contd.)*

- f) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;
- g) the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph;
- h) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 18 May 2018 as per Annexure B expressed qualified opinion;
- i) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
  - i. the Company, as detailed in Note 33 (A) and (B) to the standalone financial statements, has disclosed the impact of pending litigations on its financial position;
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
  - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016 which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

**For Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

**per Neeraj Goel**

Partner

Membership No. 099514

Place : New Delhi

Date : 18 May 2018

**Annexure A to the Independent Auditor's Report of even date to the members of RattanIndia Power Limited (formerly Indiabulls Power Limited.), on the standalone financial statements for the year ended 31 March 2018**

**Annexure A**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and stocks lying with third parties. For stocks lying with third parties at the year-end, written confirmations have been obtained by the management. No material discrepancies were noticed on the aforesaid verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
- (b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) There are no dues payable to debenture-holders and there are no loans or borrowings payable to government. The Company has defaulted in repayment of loans or borrowings to following financial institution or a bank:

## Annexure A to the Independent Auditor's Report (contd.)

Statement of delays in repayment of borrowings from banks and financial institutions that are paid on or before Balance Sheet date:

| (Amount in ₹ Lakhs)               |            |                   |
|-----------------------------------|------------|-------------------|
| Particulars                       | 61-90 days | More than 90 days |
| <b>Banks</b>                      |            |                   |
| Axis Bank                         | 277.00     | -                 |
| Bank of India                     | 500.68     | -                 |
| Canara Bank                       | 299.00     | -                 |
| Central Bank of India             | 287.50     | -                 |
| Punjab National Bank              | 501.00     | -                 |
| State Bank of Bikaner & Jaipur    | 105.51     | -                 |
| State Bank of India               | 1,083.00   | -                 |
| State Bank of Travancore          | 150.00     | -                 |
| Syndicate Bank                    | 202.00     | -                 |
| UCO Bank                          | 337.50     | -                 |
| United Bank of India              | 235.00     | -                 |
| <b>Financial institution</b>      |            |                   |
| Life Insurance Corporation        | -          | 598.18            |
| Power Finance Corporation         | -          | 5,356.42          |
| Rural Electrification Corporation | 988.30     | -                 |

Statement of defaults in repayment of borrowings from banks and financial institutions that are not paid as at Balance Sheet date:

| (Amount in ₹ Lakhs)                  |           |            |            |                   |
|--------------------------------------|-----------|------------|------------|-------------------|
| Name of bank / financial institution | 0-30 days | 31-60 days | 61-90 days | More than 90 days |
| <b>Banks</b>                         |           |            |            |                   |
| Axis Bank                            | 443.00    | -          | 443.00     | 775.04            |
| Bank of India                        | -         | -          | 801.00     | 1,402.00          |
| Canara Bank                          | 479.00    | -          | 479.00     | 837.45            |
| Central Bank of India                | -         | -          | 460.00     | 806.00            |
| IDBI Bank                            | -         | 1,250.00   | -          | 3,750.00          |
| Punjab National Bank                 | 801.00    | -          | 801.00     | 1,401.89          |
| State Bank of Bikaner & Jaipur       | 169.00    | -          | 169.00     | 294.95            |
| State Bank of India                  | 1,732.00  | -          | 1,732.00   | 3,031.00          |
| State Bank of Travancore             | 239.00    | -          | 239.00     | 418.74            |
| Syndicate Bank                       | 323.00    | -          | 323.00     | 564.41            |
| UCO Bank                             | -         | -          | 540.00     | 946.00            |
| United Bank of India                 | 375.00    | -          | 375.00     | 657.09            |
| <b>Financial institutions</b>        |           |            |            |                   |
| Life Insurance Corporation           | -         | -          | 598.00     | 1,196.00          |
| Power Finance Corporation            | -         | -          | 5,356.00   | 10,712.00         |
| Rural Electrification Corporation    | 1,581.00  | -          | 1,385.00   | 2,373.30          |



- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained, though idle funds which were not required for immediate utilisation have been invested in liquid investments, payable on demand.
- (x) No fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

**per Neeraj Goel**

Partner

Membership No. 099514

Place : New Delhi

Date : 18 May 2018

## Annexure B to the Independent Auditor's Report (contd.)

### Annexure B

#### Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of RattanIndia Power Limited (formerly Indiabulls Power Limited.) ('the Company') as of and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting (IFCoFR) of the company of as of that date.

#### Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

#### Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Qualified Opinion

8. We have not been provided sufficient and appropriate audit evidence with respect to assessment of the carrying value of investment and other financial assets in a wholly owned subsidiary. In the absence of sufficient audit evidence, we are unable to comment on adequacy and operating effectiveness of controls over the impairment assessment process and it's the potential impact on carrying value of investment and other financial assets and the consequential impact on the accompanying standalone financial statements.
9. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI except for the possible effect of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting were operating effectively as at 31 March 2018.
10. We have considered the material weakness identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the standalone financial statements of the Company as at and for the year ended 31 March 2018, and the material weakness has affected our opinion on the standalone financial statements of the Company and we have issued a qualified opinion on the standalone financial statements.

**For Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

**per Neeraj Goel**

Partner

Membership No. 099514

Place : New Delhi

Date : 18 May 2018

# Balance Sheet

of RattanIndia Power Limited (formerly known as Indiabulls Power Limited.) as at 31 March 2018

|   | Note   | As at<br>31 March 2018 | (Amount in ₹ Lakhs)<br>As at<br>31 March 2017 |
|---|--------|------------------------|---|
| <b>ASSETS</b>   |        |                        |   |
| <b>Non-current assets</b>   |        |                        |   |
| (a) Property, plant and equipment                                     | 4      | 742,401.26             | 741,430.20                                    |
| (b) Capital work-in-progress  |        | 64,997.01              | 73,717.66                                     |
| (c) Intangible assets   | 5      | 36.98                  | 105.93  |
| (d) Financial assets  |        |                        |   |
| (i) Investments   | 6A     | 352,385.16             | 330,233.78                                    |
| (ii) Loans  | 7      | 32,310.92              | 32,785.57                                     |
| (iii) Other financial assets  | 8      | 4,001.55               | 20,876.23                                     |
| (e) Deferred tax assets (net)   | 9      | -                      | 691.06  |
| (f) Non-current tax assets (net)                                      | 10     | 1,330.06               | 1,377.56                                      |
| (g) Other non-current assets  | 11     | 43,790.56              | 66,089.33                                     |
|   |        | <b>1,241,253.50</b>    | <b>1,267,307.32</b>                           |
| <b>Current assets</b>   |        |                        |   |
| (a) Inventories   | 12     | 14,175.41              | 7,134.82                                      |
| (b) Financial assets  |        |                        |   |
| (i) Investments   | 6B     | 500.75                 | 7,000.00                                      |
| (ii) Trade receivables  | 13     | 132,854.90             | 78,873.65                                     |
| (iii) Cash and cash equivalents                                       | 14     | 12,795.16              | 6,612.48                                      |
| (iv) Other bank balances  | 15     | 2,995.71               | 1,538.18                                      |
| (v) Loans   | 7      | 5,047.50               | 25,134.43                                     |
| (vi) Other financial assets   | 8      | 21,672.06              | 14,593.49                                     |
| (c) Other current assets  | 11     | 13,562.65              | 9,372.61                                      |
|   |        | <b>203,604.14</b>      | <b>150,259.66</b>                             |
|   |        | <b>1,444,857.64</b>    | <b>1,417,566.98</b>                           |
| <b>TOTAL ASSETS</b>   |        |                        |   |
| <b>EQUITY AND LIABILITIES</b>   |        |                        |   |
| <b>Equity</b>   |        |                        |   |
| (a) Equity share capital  | 16     | 295,293.34             | 295,293.34                                    |
| (b) Other equity  | 17     | 165,444.34             | 200,502.63                                    |
|   |        | <b>460,737.68</b>      | <b>495,795.97</b>                             |
| <b>LIABILITIES</b>  |        |                        |   |
| <b>Non-current liabilities</b>  |        |                        |   |
| (a) Financial liabilities   |        |                        |   |
| (i) Borrowings  | 18     | 463,004.85             | 538,729.10                                    |
| (ii) Other financial liabilities                                      | 19     | 8,308.23               | 7,341.05                                      |
| (b) Provisions  | 20A    | 656.88                 | 609.37  |
| (c) Other non-current liabilities                                     | 21     | 64,715.57              | 45,631.42                                     |
|   |        | <b>536,685.53</b>      | <b>592,310.94</b>                             |
| <b>Current liabilities</b>  |        |                        |   |
| (a) Financial liabilities   |        |                        |   |
| (i) Borrowings  | 22     | 193,304.83             | 201,813.55                                    |
| (ii) Trade payables   | 23     | 4,501.14               | 1,151.20                                      |
| (iii) Other financial liabilities                                     | 24     | 244,183.70             | 122,960.64                                    |
| (b) Other current liabilities   | 25     | 158.66                 | 705.94  |
| (c) Provisions  | 20B    | 5,286.10               | 2,828.74                                      |
|   |        | <b>447,434.43</b>      | <b>329,460.07</b>                             |
|   |        | <b>1,444,857.64</b>    | <b>1,417,566.98</b>                           |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                   |        |                        |   |
| Summary of significant accounting policies                            | 3      |                        |   |
| The accompanying notes are integral part of the financial statements. | 1 - 56 |                        |   |

This is the balance sheet referred to in our report of even date.

For Walker Chandio & Co. LLP  
Chartered Accountants

For and on behalf of the Board of Directors

per Neeraj Goel  
Partner

Rajiv Rattan  
Chairman  
DIN: 00010849

Jayant Kawale  
Managing Director  
DIN: 00076038

Samir Taneja  
Chief Financial Officer

Gaurav Toshkhani  
Company Secretary

Place: New Delhi  
Date: 18 May 2018

# Statement of Profit and Loss

**RattanIndia**

of RattanIndia Power Limited (formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

|  |      | (Amount in ₹ Lakhs)                 |                                     |
|--|------|-------------------------------------|-------------------------------------|
|  | Note | For the year ended<br>31 March 2018 | For the year ended<br>31 March 2017 |
| <b>Revenue</b>   |      |                                     |                                     |
| Revenue from operations                                    | 26   | 201,538.21                          | 133,450.34                          |
| Other income   | 27   | 22,411.10                           | 16,921.63                           |
|  |      | <b>223,949.31</b>                   | <b>150,371.97</b>                   |
| <b>Expenses</b>  |      |                                     |                                     |
| Cost of fuel, water and power consumed                     | 28   | 118,084.19                          | 46,675.61                           |
| Employee benefits expense                                  | 29   | 4,647.72                            | 4,666.45                            |
| Finance costs  | 30   | 99,663.27                           | 101,708.40                          |
| Depreciation and amortisation expense                      | 31   | 23,912.22                           | 20,760.05                           |
| Other expenses   | 32   | 18,788.53                           | 8,613.53                            |
|  |      | <b>265,095.93</b>                   | <b>182,424.04</b>                   |
| <b>Loss before tax</b>                                     |      | <b>(41,146.62)</b>                  | <b>(32,052.07)</b>                  |
| Tax expense  |      | 691.06                              | -                                   |
| <b>Loss for the year</b>                                   |      | <b>(41,837.68)</b>                  | <b>(32,052.07)</b>                  |
| <b>Other comprehensive income</b>                          |      |                                     |                                     |
| (a) Items that will not be reclassified to profit and loss |      |                                     |                                     |
| Re-measurement of post-employment benefit obligations      |      | 23.68                               | (19.18)                             |
| <b>Other comprehensive income for the year</b>             |      | <b>23.68</b>                        | <b>(19.18)</b>                      |
| <b>Total comprehensive income for the year</b>             |      | <b>(41,814.00)</b>                  | <b>(32,071.25)</b>                  |
| <b>Earnings per equity share (Face value ₹10)</b>          | 38   |                                     |                                     |
| Basic (₹)  |      | (1.42)                              | (1.09)                              |
| Diluted (₹)  |      | (1.42)                              | (1.09)                              |
| <b>Summary of significant accounting policies</b>          | 3    |                                     |                                     |

The accompanying notes are integral part of the financial statements. 1 - 56

This is the statement of profit and loss referred to in our report of even date.

For Walker Chandio & Co. LLP  
Chartered Accountants

For and on behalf of the Board of Directors

per Neeraj Goel  
Partner

Rajiv Rattan  
Chairman  
DIN: 00010849

Jayant Kawale  
Managing Director  
DIN: 00076038

Samir Taneja  
Chief Financial Officer

Gaurav Toshkhani  
Company Secretary

Place: New Delhi  
Date: 18 May 2018

# Statement of changes in equity

of RattanIndia Power Limited (formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

## A Equity share capital (refer note 16)

(Amount in ₹ Lakhs)

| Particulars          | Balance as at<br>1 April 2017 | Movement<br>during the year | Balance as at<br>31 March 2018 |
|----------------------|-------------------------------|-----------------------------|--------------------------------|
| Equity share capital | 295,293.34                    | -                           | 295,293.34                     |

## B Other equity (refer note 17)

(Amount in ₹ Lakhs)

| Particulars                              | Reserves and Surplus |                                  |  |                      | Total             |
|--|----------------------|----------------------------------|--|----------------------|-------------------|
|  | Capital<br>reserve   | Securities<br>premium<br>reserve | Employee's<br>stock options<br>outstanding | Retained<br>earnings |                   |
| <b>Balance as at 1 April 2016</b>        | <b>35,376.43</b>     | <b>255,767.87</b>                | <b>51.67</b>                               | <b>(58,665.59)</b>   | <b>232,530.38</b> |
| Loss for the year                        | -                    | -                                | -  | (32,052.07)          | (32,052.07)       |
| Other comprehensive income               | -                    | -                                | -  | (19.18)              | (19.18)           |
| Employee's stock options vested          | -                    | -                                | 43.50                                      | -                    | 43.50             |
| Employee's stock options lapsed          | -                    | -                                | (3.88)                                     | 3.88                 | -                 |
| <b>Balance as at 31 March 2017</b>       | <b>35,376.43</b>     | <b>255,767.87</b>                | <b>91.29</b>                               | <b>(90,732.96)</b>   | <b>200,502.63</b> |
| Loss for the year                        | -                    | -                                | -  | (41,837.68)          | (41,837.68)       |
| Other comprehensive income               | -                    | -                                | -  | 23.68                | 23.68             |
| Addition during the year (refer note 45) | 6,789.54             | -                                | -  | -                    | 6,789.54          |
| Employee's stock options vested          | -                    | -                                | 4.85                                       | -                    | 4.85              |
| Employee's stock options lapsed          | -                    | -                                | (25.75)                                    | 25.75                | -                 |
| Other Adjustments                        | -                    | -                                | (38.68)                                    | -                    | (38.68)           |
| <b>Balance as at 31 March 2018</b>       | <b>42,165.97</b>     | <b>255,767.87</b>                | <b>31.71</b>                               | <b>(132,521.21)</b>  | <b>165,444.34</b> |

The accompanying notes are integral part of the financial statements (refer note 1-56).

This is the statement of changes in equity referred to in our report of even date.

For Walker Chandiok & Co. LLP  
Chartered Accountants

For and on behalf of the Board of Directors

per Neeraj Goel  
Partner

Rajiv Rattan  
Chairman  
DIN: 00010849

Jayant Kawale  
Managing Director  
DIN: 00076038

Samir Taneja  
Chief Financial Officer

Gaurav Toshkhani  
Company Secretary

Place: New Delhi  
Date: 18 May 2018

# Cash Flow Statement

of RattanIndia Power Limited (formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

|   | (Amount in ₹ Lakhs)                 |                                     |
|---|-------------------------------------|-------------------------------------|
|   | For the year ended<br>31 March 2018 | For the year ended<br>31 March 2017 |
| <b>A CASH FLOW FROM OPERATING ACTIVITIES</b>  |                                     |                                     |
| Loss before tax   | (41,146.62)                         | (32,052.07)                         |
| <b>Adjustments for:</b>   |                                     |                                     |
| Depreciation/ amortisation expense  | 23,912.22                           | 20,760.05                           |
| (Gain)/ loss on disposal of fixed assets (net)  | (2.20)                              | (0.06)                              |
| Provision for compensation payable  | 2,421.02                            | -                                   |
| Excess provisions written back  | (4,253.14)                          | -                                   |
| Investment written off  | 4,629.48                            | -                                   |
| Interest income   | (2,793.90)                          | (2,637.03)                          |
| Dividend income   | (277.99)                            | (65.02)                             |
| Loss/(Gain) on foreign currency transactions (net)  | (37.54)                             | 457.89                              |
| Finance costs   | 99,663.27                           | 101,708.40                          |
| Profit on sale of non current investments   | (1,772.87)                          | (1.44)                              |
| Employee stock options vested   | (33.40)                             | 1.76                                |
| <b>Operating profit before working capital changes</b>                                    | <b>80,308.33</b>                    | <b>88,172.48</b>                    |
| <b>Movement in working capital</b>  |                                     |                                     |
| Movement in inventories   | (7,040.59)                          | 19,119.93                           |
| Movement in other financial assets  | (7,078.57)                          | 14,344.30                           |
| Movement in other assets  | (3,676.23)                          | (4,573.10)                          |
| Movement in trade and other receivables   | (53,981.25)                         | 6,825.26                            |
| Movement in other financial liabilities   | 1,423.10                            | (2,080.00)                          |
| Movement in other liabilities   | 18,644.40                           | 23,421.87                           |
| Movement in trade and other payables  | 3,349.94                            | (23,325.34)                         |
| <b>Cash flow generated/ (used) from operating activities post working capital changes</b> | <b>31,949.13</b>                    | <b>121,905.40</b>                   |
| Income tax refund/ (paid) (net)   | 60.07                               | 93.02                               |
| <b>Net cash flow generated/ (used) from operating activities (A)</b>                      | <b>32,009.20</b>                    | <b>121,998.42</b>                   |
| <b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                                     |                                     |
| Purchase of property, plant and equipment (including capital work-in-progress)            | 4,835.40                            | (395.37)                            |
| Proceeds from sale/disposal of property, plant and equipment                              | 7.45                                | 0.36                                |
| Purchase of intangible assets   | (7.45)                              | (17.80)                             |
| Loans given   | 23,156.13                           | (24,582.99)                         |
| Purchase of investment in subsidiaries  | (20,261.32)                         | (15,929.49)                         |
| Proceeds from sale of investment in subsidiaries  | 9,962.00                            | 51.44                               |
| Movement in current investments   | 6,499.25                            | (7,000.00)                          |
| Movement in fixed deposits  | (518.74)                            | 343.86                              |
| Interest received   | 428.00                              | 514.09                              |
| Dividend received   | 277.99                              | 65.02                               |
| <b>Net cash flows generated/(used) in investing activities (B)</b>                        | <b>24,378.71</b>                    | <b>(46,950.88)</b>                  |

# Cash Flow Statement (Contd.)

of RattanIndia Power Limited (formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

|   | (Amount in ₹ Lakhs)                 |                                     |
|---|-------------------------------------|-------------------------------------|
|   | For the year ended<br>31 March 2018 | For the year ended<br>31 March 2017 |
| <b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>                           |                                     |                                     |
| Repayment of long-term borrowings                                       | (11,032.66)                         | (27,606.95)                         |
| Proceeds/(Repayment) from/(of) short-term borrowings (net)              | (8,508.72)                          | 53,427.05                           |
| Finance cost paid   | (30,663.85)                         | (95,904.28)                         |
| <b>Net cash generated/(used) in financing activities (C)</b>            | <b>(50,205.23)</b>                  | <b>(70,084.18)</b>                  |
| <b>Increase/(Decrease) in cash and cash equivalents (A+B+C)</b>         | <b>6,182.68</b>                     | <b>4,963.36</b>                     |
| Cash and cash equivalents at the beginning of the year                  | 6,612.48                            | 1,649.12                            |
| <b>Cash and cash equivalents at the end of the year (refer note 14)</b> | <b>12,795.16</b>                    | <b>6,612.48</b>                     |

**Notes :** The amendments to Ind AS 7 Cash flow statements requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. This amendment has become effective from 1st April, 2017 and required disclosure is made below. There is no other impact on the financial statements due to this amendment.

| Reconciliation of liabilities arising from financing activities |                         |                          | (Amount in ₹ Lakhs) |
|---|-------------------------|--------------------------|---------------------|
|   | Long-term<br>borrowings | Short-term<br>borrowings | Total               |
| <b>As at 1 April 2017</b>                                       | 599,533.99              | 201,813.55               | <b>801,347.54</b>   |
| Cash flows:   |                         |                          |                     |
| Repayment of borrowings   | (11,032.66)             | (8,508.72)               | <b>(19,541.38)</b>  |
| Non-cash:   |                         |                          |                     |
| Sale of investment  | (7,789.54)              | -                        | <b>(7,789.54)</b>   |
| Impact of borrowings measured at amortised cost                 | 431.51                  | -                        | <b>431.51</b>       |
| <b>As at 31 March 2018</b>                                      | <b>581,143.30</b>       | <b>193,304.83</b>        | <b>774,448.13</b>   |

The accompanying notes are integral part of the financial statements (refer note 1-56).

This is the cash flow statement referred to in our report of even date.

For Walker Chandiok & Co. LLP  
Chartered Accountants

per Neeraj Goel  
Partner

For and on behalf of the Board of Directors

Rajiv Rattan  
Chairman  
DIN: 00010849

Jayant Kawale  
Managing Director  
DIN: 00076038

Samir Taneja  
Chief Financial Officer

Gaurav Toshkhani  
Company Secretary

Place: New Delhi  
Date: 18 May 2018



## 1. Corporate Information

### Nature of Operations

RattanIndia Power Limited (formerly known as Indiabulls Power Limited.) ("the Company", "RPL") is principally engaged in the business of dealing in power generation, distribution, trading and transmission and other ancillary and incidental activities.

### General information and statement of compliance with Ind AS

The standalone financial statements of the Company have been prepared in accordance with the Indian Accounting Standards as notified under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules 2015 (by Ministry of Corporate Affairs ('MCA')). The Company has uniformly applied the accounting policies during the periods presented.

The standalone financial statements for the year ended 31 March 2018 were approved by the Board of Directors on 18 May 2018.

## 2. Recent accounting pronouncements

### Notification of Ind AS 115:

The new standard provides a control-based revenue recognition model and provides a five step application principle to be followed for revenue recognition:

- a. Identify the contract(s) with a customer;
- b. Identify the performance obligations;
- c. Determine the transaction price;
- d. Allocate the transaction price to the performance obligations;
- e. Recognize revenue when or as an entity satisfies performance obligation.

The Company does not have its impact on the financial statements.

### Insertion of Appendix B to Ind AS 21:

This Appendix applies to a foreign currency transaction (or part of it) when an entity recognizes a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration before the entity recognizes the related asset, expense or income (or part of it). The amendment to Ind AS 21 requires the entities to consider exchange rate on the date of initial recognition of advance consideration (asset/liability), for recognising related expense/income on the settlement of said asset/liability.

This Appendix does not apply when an entity measures the related asset, expense or income on initial recognition:

- a. At fair value; or
- b. At the fair value of the consideration paid or received at a date other than the date of initial recognition of the non-monetary asset or non-monetary liability arising from advance consideration.

An entity is not required to apply this Appendix to:

- a. income taxes; or
- b. insurance contracts (including reinsurance contracts) that it issues or reinsurance contracts that it holds.

The Company does not have its impact on the financial statements.

### Amendment to Ind AS 12

The amendment to Ind AS 12 requires the entities to consider restriction in tax laws in sources of taxable profit against which entity may make deductions on reversal of deductible temporary difference (may or may not have arisen from same source) and also consider probable future taxable profit.

The Company does not have its impact on the financial statements.

# Notes Forming Part of the Financial Statements (Contd.)

of RattanIndia Power Limited (formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

## 3. Summary of significant accounting policies

### a) Overall consideration

The standalone financial statements have been prepared using the significant accounting policies and measurement basis as summarised below. These were used throughout all periods presented in the financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

### Basis of preparation

The standalone financial statements have been prepared on going concern basis under the historical cost basis except for the following –

- Certain financial assets and liabilities which are measured at fair value;
- Defined benefit plans – liability of which is recognised as per actuarial valuation; and
- Share based payments which are measured at fair value of the options

### b) Revenue recognition

Revenue arises from the supply of power. Revenue is recognised when it is probable that the economic benefits will flow to the Company and it can be reliably measured. Revenue is measured at the fair value of the consideration received/ receivable net of rebates and taxes. The Company applies the revenue recognition criteria to each separately identifiable component of the sales transaction as set out below.

#### *Revenue from operation of plant*

Revenue from operation of plant is recognised on transfer of significant risks and rewards of ownership to the buyer which is when delivered, and measured on an accrual basis based on the rates in accordance with the provisions of the Power Purchase Agreements (PPAs) entered into by the Company with the procurer/s of power. Claims for delayed payment charges and other claims are accounted by the Company on accrual basis in accordance with the provisions of the PPAs only when it is reasonable to expect ultimate collection. Excise Duty is not applicable on generation and sale of power. Sales exclude Sales tax and Value Added Tax, where applicable.

Revenue from Power generated during trial runs is accounted on the basis of accruals and is reduced from the Pre-operative expenses.

Refer policy on leased assets for accounting policy of customer contracts that contain a lease.

#### *Service income*

Revenue from Power Consultancy/ Advisory Services is recognised when services are rendered.

#### *Interest Income*

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

#### *Dividend income*

Dividend income is recognised at the time when right to receive the payment is established, which is generally when the shareholders approve the dividend.

### c) Borrowing costs

Borrowing costs include interest and amortisation of ancillary costs incurred to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction/ development of the qualifying asset up to the date of capitalisation of such asset are added to the cost of the assets. Any income earned on the temporary deployment/ investment of those borrowings is deducted from the borrowing costs so incurred. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use.

**d) Property, plant and equipment***Recognition and initial measurement*

Properties plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Any expenditure directly/ indirectly related and attributable to the construction of power projects and incidental to setting up power project facilities, incurred prior to the Commercial Operation Date (COD) of the Power Project, are accumulated under "Capital work-in-progress", to be capitalised on completion of construction of the respective power projects/ COD.

*Subsequent measurement (depreciation and useful lives)*

Depreciation on property, plant and equipment is provided on the straight-line method, computed on the basis of useful lives prescribed in Schedule II to the Companies Act, 2013:

Properties plant and equipment acquired and put to use for the purpose of the Project are capitalised and depreciation thereon is included in capital work-in-progress till the Project is ready for its intended use.

The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

*De-recognition*

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

**e) Intangible assets***Recognition and initial measurement*

Intangible assets are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

*Subsequent measurement (amortisation)*

The cost of capitalized software is amortized over a period in the range of three to five years from the date of its acquisition.

**f) Leased assets***Determining whether an arrangement contains a lease*

The Company has certain long term arrangements for sale of power. Such arrangements are evaluated to consider whether it contains a lease. It is considered to contain a lease if based on the substance of the arrangement:

- (i) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and
- (ii) the arrangement conveys a right to use the asset.

An arrangement is considered to contain a lease if facts and circumstances indicate that it is remote that one or more parties other than the purchaser will take more than an insignificant amount of the output or other utility that will be produced or generated by the asset during the term of the arrangement, and the price that the purchaser will pay for the output is neither contractually fixed per unit of output nor equal to the current market price per unit of output as of the time of delivery of the output.

## Notes Forming Part of the Financial Statements (Contd.)

of RattanIndia Power Limited (formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

### Company as a lessee

#### *Finance leases*

Finance leases, which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments under such leases are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalised.

If there is no reasonable certainty that the Company will obtain the ownership by the end of lease term, capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

#### *Operating leases*

Assets acquired on leases where a significant portion of risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rental are charged to statement of profit and loss on straightline basis except where scheduled increase in rent compensate the lessor for expected inflationary costs.

### Company as a lessor

#### *Finance leases*

Leases which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item are classified and accounted for as finance lease. Lease rental receipts are apportioned between the finance income and capital repayment based on the implicit rate of return. Contingent rents are recognised as revenue in the period in which they are earned.

#### *Operating leases*

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. The respective leased assets are included in the balance sheet based on their nature. Rental income is recognized on straightline basis over the lease term except where scheduled increase in rent compensates the Company with expected inflationary costs.

Such lease is classified as operating lease, and as such the revenue is recognized on straight line basis. Considering that the capacity charges per unit is higher in the initial years, there is a negative impact to P&L on account of straightlining.

### g) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication based on internal/ external factors, that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

### h) Financial instruments

#### *Initial recognition and measurement*

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, unless the financial instrument is designated to be measured at fair value through profit or loss or fair value through other comprehensive income.

#### **Financial assets**

##### *Subsequent measurement*

- i. Financial assets at amortised cost – the financial assets are measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. All other debt instruments are measured at Fair Value through other comprehensive income or Fair value through profit and loss based on Company's business model. All investments in mutual funds in scope of Ind-AS 109 are measured at fair value through profit and loss (FVTPL).

#### *De-recognition of financial assets*

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

#### **Financial liabilities**

##### *Subsequent measurement*

Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method. These liabilities include borrowings and deposits.

##### *De-recognition of financial liabilities*

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

#### **Derivative contracts**

A derivative contract is recognised as an asset or a liability on the commitment date. Outstanding derivative contracts as at reporting date are fair valued and recognised as financial asset/ financial liability, with the resultant gain/ (loss) being recognised in statement of profit and loss.

#### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### **i) Investments in subsidiaries, joint ventures associates**

The Company has accounted for its investments in subsidiaries and associates, joint ventures at cost in its standalone financial statements in accordance with Ind AS- 27, Standalone Financial Statements.

Profit/ loss on sale of investments is recognised on the date of the transaction of sale and is computed with reference to the original cost of the investment sold.

#### **j) Impairment of financial assets**

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive. When estimating the cash flows, the Company considers –

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

## Notes Forming Part of the Financial Statements (Contd.)

of RattanIndia Power Limited (formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

### *Trade receivables*

The Company applies approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of receivables.

### *Other financial assets*

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, life time impairment loss is provided, otherwise provides for 12 month expected credit losses.

## **k) Inventories**

Inventories are valued at the lower of cost derived on weighted average basis and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of consumption, including octroi and other levies, transit insurance and receiving charges.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated necessary costs to make the sale.

## **l) Income taxes**

Tax expense recognised in statement of profit and loss comprises the sum of deferred tax and current tax not recognised in OCI or directly in equity.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961 and in the overseas branches/ companies as per the respective tax laws. Current income tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss in OCI or equity depending upon the treatment of underlying item.

Deferred income taxes are calculated using the liability method. Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss, unused tax credits or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss in OCI or equity depending upon the treatment of underlying item.

## **m) Cash and cash equivalents**

Cash and cash equivalents comprise Cash on hand, demand deposits with banks/ corporations and short-term highly liquid investments (original maturity less than 3 months) that are readily convertible into known amount of cash and are subject to an insignificant risk of change in value.

## **n) Post-employment, long term and short term employee benefits**

### *Defined contribution plans*

The Company makes contribution to the statutory provident fund in accordance with the Employees Provident Fund and Miscellaneous Provision Act, 1952 which is a defined contribution plan and contribution paid or payable is recognised as an expense in the period in which the services are rendered.

### *Defined benefit plans*

Gratuity is in the nature of a defined benefit plan. The liability recognised in the standalone financial statements in respect of gratuity is the present value of the defined benefit obligation at the reporting date together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated at or near the reporting date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the statement of OCI in the year in which such gains or losses are determined.

## *Other employee benefits*

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to statement of profit and loss in the year in which such gains or losses are determined.

## *Short-term employee benefits*

Expense in respect of other short term benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

### **o) Share based payments**

The Company has formulated Employee Stock Option Schemes (ESOS) and Employee Stock Purchase Schemes (ESOP) in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and are in compliance with the said guidelines and SEBI (Share Based Employee Benefits) Regulation, 2014. The Schemes provide for grant of options to employees of the Company and its subsidiaries to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period.

#### *Employee stock Purchase plan (ESOP)*

The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in statement of profit and loss, with a corresponding adjustment to equity.

### **p) Provisions, contingent assets and contingent liabilities**

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised. However, when inflow of economic benefit is probable, related asset is disclosed.

### **q) Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.



## Notes Forming Part of the Financial Statements (Contd.)

of RattanIndia Power Limited (formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

### r) Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Company's standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures.

#### *Significant management judgements*

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the standalone financial statements –

**Determining whether an arrangement contains a lease** – Whether an arrangement contains a lease depends on whether purchaser will take more than an insignificant amount of the output or other utility that will be produced or generated by the asset during the term of the arrangement.

**Recognition of deferred tax assets** – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties under the relevant tax jurisdiction (see note 9).

**Evaluation of indicators for impairment of assets** – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

**Classification of leases** – The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

**Recoverability of advances/ receivables** – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

**Defined benefit obligation (DBO)** – Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

**Fair value measurements** – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

**Provisions** – At each balance sheet date on the basis of the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions. However the actual future outcome may be different from this judgement.

#### **Significant estimates**

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be different.

**Classification of leases** – The classification of the leasing arrangement as a finance lease or operating lease requires several estimates like present value of unguaranteed residual value and present value of minimum lease payments.

#### **Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable



market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Company.

## **Taxes**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

## **Useful lives of depreciable/ amortisable assets**

Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, customer relationships, IT equipment and other plant and equipment.

# Notes Forming Part of the Financial Statements (Contd.)

of RattanIndia Power Limited (formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

## 4. Property, plant and equipment

| Particulars                     | Freehold land | Leasehold land | Buildings - Plant (ii) | Buildings - Other | Plant and equipment (ii) | Furniture and fixtures | Vehicles | Office equipment | Computers | Tools & tackles | Ships | Leasehold improvement | Railways (ii) | Total      |
|---------------------------------|---------------|----------------|------------------------|-------------------|--------------------------|------------------------|----------|------------------|-----------|-----------------|-------|-----------------------|---------------|------------|
| <b>Gross carrying amount</b>    |               |                |                        |                   |                          |                        |          |                  |           |                 |       |                       |               |            |
| Balance as on 1 April 2016      | 19.58         | 16,374.24      | 18,054.23              | 11.73             | 693,719.84               | 401.77                 | 1,155.63 | 349.46           | 329.53    | 18.92           | 41.04 | 859.73                | 44,926.04     | 776,261.74 |
| Additions                       | -             | -              | 6,921.28               | -                 | 11,363.97                | 0.10                   | 2.51     | 21.23            | 18.65     | 13.50           | -     | -                     | 6,762.24      | 25,103.48  |
| Disposals/ adjustments          | -             | -              | -                      | -                 | -                        | -                      | -        | -                | 0.43      | -               | -     | -                     | -             | 0.43       |
| Balance as on 31 March 2017     | 19.58         | 16,374.24      | 24,975.51              | 11.73             | 705,083.81               | 401.87                 | 1,158.14 | 370.69           | 347.75    | 32.42           | 41.04 | 859.73                | 51,688.28     | 801,364.79 |
| Additions                       | -             | -              | 1,544.05               | -                 | 18,230.50                | 89.40                  | -        | 17.93            | 60.69     | 18.05           | -     | -                     | 4,851.51      | 24,812.13  |
| Disposals/ adjustments          | -             | -              | -                      | -                 | -                        | -                      | 154.78   | -                | 0.43      | -               | -     | -                     | -             | 155.21     |
| Balance as on 31 March 2018     | 19.58         | 16,374.24      | 26,519.56              | 11.73             | 723,314.31               | 491.27                 | 1,003.36 | 388.62           | 408.01    | 50.47           | 41.04 | 859.73                | 56,539.79     | 826,021.71 |
| <b>Accumulated depreciation</b> |               |                |                        |                   |                          |                        |          |                  |           |                 |       |                       |               |            |
| Balance as on 1 April 2016      | -             | 814.14         | 1,118.84               | 1.71              | 33,426.20                | 141.40                 | 701.12   | 200.24           | 220.55    | 5.91            | 20.28 | 15.66                 | 2,590.80      | 39,256.85  |
| Additions                       | -             | 172.36         | 703.71                 | 0.43              | 16,324.67                | 39.98                  | 171.19   | 53.87            | 34.23     | 6.80            | 5.33  | 95.53                 | 3,069.77      | 20,677.87  |
| Disposals/ adjustments          | -             | -              | -                      | -                 | -                        | -                      | -        | -                | 0.13      | -               | -     | -                     | -             | 0.13       |
| Balance as on 31 March 2017     | -             | 986.50         | 1,822.55               | 2.14              | 49,750.87                | 181.38                 | 872.31   | 254.11           | 254.65    | 12.71           | 25.61 | 111.19                | 5,660.57      | 59,934.59  |
| Additions                       | -             | 172.36         | 1,431.80               | 0.19              | 17,643.16                | 46.64                  | 133.33   | 43.23            | 34.49     | 15.35           | 5.33  | 95.53                 | 4,214.41      | 23,835.82  |
| Disposals/ adjustments          | -             | -              | -                      | -                 | -                        | -                      | 149.62   | -                | 0.34      | -               | -     | -                     | -             | 149.96     |
| Balance as on 31 March 2018     | -             | 1,158.86       | 3,254.35               | 2.33              | 67,394.03                | 228.02                 | 856.02   | 297.34           | 288.80    | 28.06           | 30.94 | 206.72                | 9,874.98      | 83,620.45  |
| <b>Net carrying amount</b>      |               |                |                        |                   |                          |                        |          |                  |           |                 |       |                       |               |            |
| Balance as on 31 March 2017     | 19.58         | 15,387.74      | 23,152.96              | 9.59              | 655,332.94               | 220.49                 | 285.83   | 116.58           | 93.10     | 19.71           | 15.43 | 748.54                | 46,027.71     | 741,430.20 |
| Balance as on 31 March 2018     | 19.58         | 15,215.38      | 23,265.21              | 9.40              | 655,920.28               | 263.25                 | 147.34   | 91.28            | 119.21    | 22.41           | 10.10 | 653.01                | 46,664.81     | 742,401.26 |

(i) Non current and current secured borrowings are secured by first mortgage and charge on all immovable and movable assets, both present and future, of the Amravati Project. (refer note 18 and note 22).

(ii) During the year, upon project assets being ready for their intended use, the Company has capitalised ₹ 1,544.05 lakhs (31 March 2017: ₹ 6,921.28 lakhs) of Buildings - Plant, ₹ 18,230.50 lakhs (31 March 2017: ₹ 11,344.44 lakhs) of Plant and Equipments and ₹ 4,851.51 lakhs (31 March 2017: ₹ 6,762.24 lakhs) of Railways and accordingly ₹ 24,626.06 lakhs (31 March 2017: ₹ 25,027.96 lakhs) is reduced from Capital work-in-progress (including borrowing cost of ₹ 1,498.28 lakhs (31 March 2017: ₹ 7,478.21 lakhs)).

## 5. Intangible assets

| (Amount in ₹ Lakhs)                |               |               |
|------------------------------------|---------------|---------------|
| Particulars                        | Software      | Total         |
| <b>Gross carrying amount</b>       |               |               |
| <b>Balance as on 1 April 2016</b>  | <b>487.79</b> | <b>487.79</b> |
| Additions                          | 17.80         | 17.80         |
| Disposals/ adjustments             | -             | -             |
| <b>Balance as on 31 March 2017</b> | <b>505.59</b> | <b>505.59</b> |
| Additions                          | 7.45          | 7.45          |
| Disposals/ adjustments             | -             | -             |
| <b>Balance as on 31 March 2018</b> | <b>513.04</b> | <b>513.04</b> |
| <b>Accumulated amortisation</b>    |               |               |
| <b>Balance as on 1 April 2016</b>  | <b>317.48</b> | <b>317.48</b> |
| Additions                          | 82.18         | 82.18         |
| Disposals/ adjustments             | -             | -             |
| <b>Balance as on 31 March 2017</b> | <b>399.66</b> | <b>399.66</b> |
| Additions                          | 76.40         | 76.40         |
| Disposals/ adjustments             | -             | -             |
| <b>Balance as on 31 March 2018</b> | <b>476.06</b> | <b>476.06</b> |
| <b>Net carrying amount</b>         |               |               |
| <b>Balance as on 31 March 2017</b> | <b>105.93</b> | <b>105.93</b> |
| <b>Balance as on 31 March 2018</b> | <b>36.98</b>  | <b>36.98</b>  |

- (i) Non current and current secured borrowings are secured by first mortgage and charge on all immovable and movable assets, both present and future, of the Amravati Project. (refer note 18 and note 22).

# Notes Forming Part of the Financial Statements (Contd.)

of RattanIndia Power Limited (formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

| 6A. Non-current investments   | 31 March 2018 |            | (Amount in ₹ Lakhs)<br>31 March 2017 |            |
|---|---------------|------------|--------------------------------------|------------|
|   | No. of shares | Amounts    | No. of shares                        | Amounts    |
| <b>(a) Investments in equity instruments</b>  |               |            |                                      |            |
| <b>Unquoted, In fully paid equity instruments of subsidiary companies (at cost)</b>             |               |            |                                      |            |
| Albina Power Trading Limited (formerly known as Indiabulls Power Trading Limited)               | 1,750,000     | 175.00     | 1,750,000                            | 175.00     |
| Devona Power Limited (formerly known as Indiabulls Power Generation Limited)                    | 370,000       | 1,301.75   | 370,000                              | 1,301.75   |
| Diana Energy Limited  | 370,000       | 37.00      | 370,000                              | 37.00      |
| Sentia Power Limited (formerly known as Indiabulls CSEB Bhaiyathan Power Limited)               | 2,074,000     | 219.74     | 2,074,000                            | 215.06     |
| Aravali Properties Limited  | 410,000       | 41.67      | 410,000                              | 41.64      |
| Lucina Power And Infrastructure Limited   | 120,000       | 12.29      | 120,000                              | 12.29      |
| RattanIndia Nasik Power Limited (formerly known as Indiabulls Realtech Limited (i))             | 31,977,246    | 302,621.55 | 27,097,246                           | 266,270.65 |
| Devona Power Distribution Limited (formerly known as Indiabulls Power Distribution Limited)     | 50,000        | 5.00       | 50,000                               | 5.00       |
| Sentia Hydro Electric Power Limited (formerly known as Indiabulls Hydro Electric Power Limited) | 126,150       | 12.69      | 126,150                              | 12.69      |
| Sentia Hydro Energy Limited (formerly known as Indiabulls Hydro Energy Limited)                 | 225,500       | 22.64      | 225,500                              | 22.63      |
| Sentia Hydro Power Limited (formerly known as Indiabulls Hydro Power Limited)                   | 50,000        | 5.00       | 50,000                               | 5.00       |
| Sentia Hydro Power Projects Limited (formerly known as Indiabulls Hydro Power Projects Limited) | 50,000        | 5.00       | 50,000                               | 5.00       |
| Devona Power Projects Limited (formerly known as Indiabulls Power Projects Limited)             | 50,000        | 5.00       | 50,000                               | 5.00       |
| Devona Power Infrastructure Limited (formerly known as Indiabulls Power Infrastructure Limited) | 450,000       | 45.47      | 450,000                              | 45.47      |
| Albina Thermal Energy Limited (formelry known as Indiabulls Thermal Energy Limited)             | 50,000        | 5.00       | 50,000                               | 5.00       |
| Albina Thermal Power Limited (formerly known as Indiabulls Thermal Power Limited)               | 50,000        | 5.00       | 50,000                               | 5.00       |
| Sentia Electricity Limited (formerly known as Indiabulls Electricity Company Limited)           | 160,000       | 16.11      | 160,000                              | 16.10      |
| Diana Power Limited   | 50,000        | 5.00       | 50,000                               | 5.00       |
| Selene Power Company Limited  | 50,000        | 7.41       | 50,000                               | 7.41       |
| Sentia Thermal Power And Infrastructure Limited   | 68,900        | 7.20       | 68,900                               | 7.17       |
| Sepset Thermal Power And Infrastructure Limited   | 56,000        | 5.89       | 56,000                               | 5.86       |
| Triton Energy Limited   | 50,000        | 5.41       | 50,000                               | 5.38       |
| Kaya Hydropower Projects Limited  | 50,000        | 33.15      | 50,000                               | 33.14      |
| Sepla Hydropower Projects Limited   | 60,000        | 37.45      | 60,000                               | 37.41      |
| Tharang Warang Hydropower Projects Limited  | 250,000       | 52.88      | 250,000                              | 52.85      |
| Airmid Power Limited  | 330,000       | 33.74      | 330,000                              | 33.71      |
| Angina Power Limited  | 50,000        | 23.13      | 50,000                               | 23.10      |
| Elena Power And Infrastructure Limited  | 500,000       | 500.00     | 500,000                              | 500.00     |
| Hecate Power Limited  | -             | -          | 50,000                               | 5.00       |
| Hecate Power Services Limited   | -             | -          | 50,000                               | 5.00       |
| Hecate Thermal Power And Infrastructure Limited   | -             | -          | 50,000                               | 5.00       |
| Hecate Power Generation Limited   | -             | -          | 50,000                               | 5.00       |
| Hecate Power Distributors Limited   | -             | -          | 50,000                               | 5.00       |
| Hecate Power And Energy Resources Limited   | 50,000        | 5.00       | 50,000                               | 5.00       |
| Poena Power Limited   | 70,000        | 7.76       | 70,000                               | 7.76       |

# Notes Forming Part of the Financial Statements (Contd.)

**RattanIndia**

of RattanIndia Power Limited (formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

| 6A. Non-current investments   | 31 March 2018 |            | (Amount in ₹ Lakhs)<br>31 March 2017 |            |
|---|---------------|------------|--------------------------------------|------------|
|   | No. of shares | Amounts    | No. of shares                        | Amounts    |
| Unquoted, In fully paid equity instruments of subsidiary companies (at cost) - continued                |               |            |                                      |            |
| Hecate Energy Trading Limited   | 50,000        | 5.00       | 50,000                               | 5.00       |
| Hecate Energy Private Limited   | 50,000        | 5.00       | 50,000                               | 5.00       |
| Hecate Power Projects Limited   | 59,200        | 6.02       | 59,200                               | 6.00       |
| Poena Thermal Power Limited   | 50,000        | 5.00       | 50,000                               | 5.00       |
| Poena Power Services Limited  | 50,000        | 5.00       | 50,000                               | 5.00       |
| Poena Power Distributors Limited  | 50,000        | 5.00       | 50,000                               | 5.00       |
| Poena Power Generation Limited  | 50,000        | 5.00       | 50,000                               | 5.00       |
| Poena Hydro Power Projects Limited  | 50,000        | 5.00       | 50,000                               | 5.00       |
| Bracond Limited (Face Value of US Dollar 1 each)  | 100,000,000   | 43,277.11  | 100,000,000                          | 43,277.11  |
| Poena Power Trading Limited   | 50,000        | 5.00       | 50,000                               | 5.00       |
| Devona Power Generation Limited (formerly known as Indiabulls Power Generation Company Limited)         | 50,000        | 5.00       | 50,000                               | 5.00       |
| Albina Power Transmission Limited (formerly known as Indiabulls Power Transmission Limited)             | 100,000       | 10.00      | 100,000                              | 10.00      |
| Hecate Power Development Limited  | 50,000        | 5.00       | 50,000                               | 5.00       |
| Hecate Power Systems Limited  | 50,000        | 8.05       | 50,000                               | 8.03       |
| Hecate Power Management Limited   | -             | -          | 50,000                               | 5.00       |
| Hecate Power Supply Limited   | -             | -          | 50,000                               | 5.00       |
| Hecate Power Utility Limited  | 50,000        | 5.00       | 50,000                               | 5.00       |
| Hecate Power Transmission Limited   | 98,200        | 9.91       | 98,200                               | 9.91       |
| Hecate Powergen Limited   | -             | -          | 50,000                               | 5.00       |
| Hecate Electric Limited   | 50,000        | 5.00       | 50,000                               | 5.00       |
| Poena Power Development Limited (refer note (ii) and (iii) below)                                       | 50,000        | 1,385.68   | 50,000                               | 6,007.51   |
| Poana Power Systems Limited   | 95,000        | 11.12      | 95,000                               | 11.12      |
| Poena Power Management Limited  | 50,000        | 5.05       | 50,000                               | 5.05       |
| Poena Power Utility Limited   | 50,000        | 5.00       | 50,000                               | 5.00       |
| Poena Power Solutions Limited   | 50,000        | 5.00       | 50,000                               | 5.00       |
| Amravati Power Transmission Company Limited (i)   | -             | -          | 821,700                              | 8,724.93   |
| Devona Power Development Limited (formerly known as Indiabulls Power Development Limited)               | 50,000        | 5.00       | 50,000                               | 5.00       |
| Sentia Electric Limited (formerly known as Indiabulls Electric Company Limited)                         | 50,000        | 5.01       | 50,000                               | 5.00       |
| Sentia Electricity Generation Limited (formerly known as Indiabulls Electricity Generation Limited)     | 50,000        | 5.00       | 50,000                               | 5.00       |
| Albina Thermal Power Management Limited (formerly known as Indiabulls Thermal Power Management Limited) | 50,000        | 5.00       | 50,000                               | 5.00       |
| Devona Thermal Power Projects Limited (formerly known as Indiabulls Thermal Power Projects Limited)     | 50,000        | 5.00       | 50,000                               | 5.00       |
| Albina Thermal Projects Limited (formerly known as Indiabulls Thermal Projects Limited)                 | 50,000        | 5.00       | 50,000                               | 5.00       |
| Devona Thermal Power And Infrastructure Limited   | 1,150,000     | 117.04     | 1,150,000                            | 117.01     |
| Citra Thermal Power And Infrastructure Limited  | 200,000       | 20.24      | 200,000                              | 20.24      |
| Total investment in equity instruments of subsidiary companies  |               | 350,210.16 |                                      | 327,240.98 |

# Notes Forming Part of the Financial Statements (Contd.)

of RattanIndia Power Limited (formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

| 6A. Non-current investments  | 31 March 2018 |                   | 31 March 2017 |                   |
|--|---------------|-------------------|---------------|-------------------|
|  | No. of shares | Amounts           | No. of shares | Amounts           |
| <b>(b) Investment in trust (a subsidiary entity) (at cost)</b>   |               |                   |               |                   |
| IPL-PPSL Scheme Trust  |               | 75.00             |               | 1,075.00          |
|  |               | <b>75.00</b>      |               | <b>1,075.00</b>   |
| <b>(c) Investments in preference shares, unquoted</b>  |               |                   |               |                   |
| <b>In fully paid up preference shares of a subsidiary company (at amortised cost)</b>  |               |                   |               |                   |
| 0.0001% Cumulative Non-Convertible Redeemable Preference Shares of Face Value of ₹ 10 each in Devona Power Limited (formerly known as Indiabulls Power Generation Limited)   | 21,000,000    | 2,100.00          | 21,000,000    | 1,917.80          |
|  |               | <b>2,100.00</b>   |               | <b>1,917.80</b>   |
|  |               | <b>352,385.16</b> |               | <b>330,233.78</b> |
| Aggregate amount of quoted investments and market value thereof  |               | -                 |               | -                 |
| Aggregate amount of unquoted investments   |               | 352,385.16        |               | 330,233.78        |
| Aggregate amount of impairment in the value of investments   |               | 4,629.48          |               | -                 |
| (i) 27,097,246 (31 March 2017: 27,097,246) equity shares of RattanIndia Nasik Power Limited (formerly known as Indiabulls Realtech Limited) (RNPL) and Nil (31 March 2017: 493,020) equity shares of Amravati Power Transmission Company Limited are pledged in favour of the Project Lenders of its subsidiaries. |               |                   |               |                   |
| (ii) During the year, for the purpose of securing repayment of inter company loan, the Company has pledged 50,000 share of Poena Power Development Limited in favour of lenders of inter company loan.   |               |                   |               |                   |
| (iii) During the year company has written off its value of investment in a wholly owned subsidiary, Poena Power Development Limited, amounting to ₹ 4,629.48 lakhs.  |               |                   |               |                   |

| 6B. Current investments   | 31 March 2018 |               | 31 March 2017 |                 |
|---|---------------|---------------|---------------|-----------------|
|   | No. of shares | Amounts       | No. of shares | Amounts         |
| <b>Unquoted, non trade (at FVTPL)</b>                           |               |               |               |                 |
| Investments in mutual funds                                     |               | 500.75        |               | 7,000.00        |
|   |               | <b>500.75</b> |               | <b>7,000.00</b> |
| Aggregate amount of quoted investments and market value thereof |               | -             |               | -               |
| Aggregate amount of unquoted investments                        |               | 500.75        |               | 7,000.00        |
| Aggregate amount of impairment in the value of investments      |               | -             |               | -               |

| 7. Loans (unsecured, considered good) | 31 March 2018    |                  | 31 March 2017   |                  |
|---------------------------------------|------------------|------------------|-----------------|------------------|
|                                       | No. of shares    | Amounts          | No. of shares   | Amounts          |
| <b>(Amount in ₹ Lakhs)</b>            |                  |                  |                 |                  |
|                                       | Non-current      |                  | Current         |                  |
| Security deposits                     |                  |                  |                 |                  |
| Premises                              | 177.75           | 161.81           | 69.58           | 73.58            |
| Others                                | 641.51           | 664.70           | 105.93          | 99.97            |
| Loans to                              |                  |                  |                 |                  |
| Employees                             | -                | -                | 6.62            | 8.51             |
| Inter corporate deposits              | 31,491.66        | 31,959.06        | 4,865.37        | 24,952.37        |
|                                       | <b>32,310.92</b> | <b>32,785.57</b> | <b>5,047.50</b> | <b>25,134.43</b> |

## 8. Other financial assets

|  | (Amount in ₹ Lakhs) |                  |                  |                  |
|--|---------------------|------------------|------------------|------------------|
|  | 31 March 2018       | 31 March 2017    | 31 March 2018    | 31 March 2017    |
|  | Non-current         |                  | Current          |                  |
| Unbilled revenue                                   | -                   | -                | 21,395.90        | 14,577.77        |
| Accrued incomes                                    | -                   | -                | 267.80           | -                |
| Bank deposits for maturity more than 12 months (i) | 4,001.55            | 4,786.23         | -                | -                |
| Share application money pending allotment          | -                   | 16,090.00        | -                | -                |
| Advances recoverable                               |                     |                  |                  |                  |
| Employees  | -                   | -                | 8.36             | 15.72            |
|  | <b>4,001.55</b>     | <b>20,876.23</b> | <b>21,672.06</b> | <b>14,593.49</b> |

(i) Pledged against bank guarantees/letter of credit

## 9. Deferred tax (liabilities)/assets (net)

|  | (Amount in ₹ Lakhs) |                     |
|--|---------------------|---------------------|
|  | 31 March 2018       | 31 March 2017       |
|  | Non-current         |                     |
| <b>Tax effect of items constituting deferred tax liabilities</b> |                     |                     |
| Property, plant and equipment                                    | (118,932.64)        | (104,492.06)        |
| Borrowings   | (815.47)            | (963.73)            |
| Investments in preference shares                                 | (437.73)            | (374.67)            |
| Retention money  | (828.20)            | (1,169.01)          |
| Inter corporate deposits   | (1,472.33)          | (2,587.27)          |
|  | <b>(122,486.37)</b> | <b>(109,586.74)</b> |
| <b>Tax effect of items constituting deferred tax assets</b>      |                     |                     |
| Employee benefit obligations                                     | 266.64              | 237.62              |
| Capital work-in-progress   | 2,696.94            | 1,851.08            |
| Employee stock options   | 7.68                | 20.92               |
| Lease equalisation reserve                                       | 23,832.19           | 15,800.00           |
| Security deposits  | 6.41                | 4.75                |
| Unabsorbed depreciation and brought business losses (i)          | 95,676.51           | 91,672.37           |
| Tax credit (minimum alternative tax)                             | -                   | 691.06              |
|  | <b>122,486.37</b>   | <b>110,277.80</b>   |
|  | <b>-</b>            | <b>691.06</b>       |

# Notes Forming Part of the Financial Statements (Contd.)

of RattanIndia Power Limited (formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

|  | (Amount in ₹ Lakhs)      |                                    |   |                           |
|--|--------------------------|------------------------------------|---|---------------------------|
| Movement in deferred tax assets/ (liabilities)                   | As at<br>1 April<br>2017 | Recognized<br>in profit or<br>loss | Recognized<br>in other<br>comprehensive<br>income | As at<br>31 March<br>2018 |
| <b>Tax effect of items constituting deferred tax liabilities</b> |                          |                                    |   |                           |
| Property, plant and equipment                                    | (104,492.06)             | (14,440.58)                        | -   | (118,932.64)              |
| Borrowings   | (963.73)                 | 148.26                             | -   | (815.47)                  |
| Investments in preference shares                                 | (374.67)                 | (63.06)                            | -   | (437.73)                  |
| Retention money  | (1,169.01)               | 340.81                             | -   | (828.20)                  |
| Inter corporate deposits   | (2,587.27)               | 1,114.94                           | -   | (1,472.33)                |
|  | <b>(109,586.74)</b>      | <b>(12,899.63)</b>                 | -   | <b>(122,486.37)</b>       |
| <b>Tax effect of items constituting deferred tax assets</b>      |                          |                                    |   |                           |
| Employee benefit obligations                                     | 237.62                   | 29.02                              | -   | 266.64                    |
| Capital work-in-progress   | 1,851.08                 | 845.86                             | -   | 2,696.94                  |
| Employee stock options   | 20.92                    | (13.24)                            | -   | 7.68                      |
| Lease equalisation reserve                                       | 15,800.00                | 8,032.19                           | -   | 23,832.19                 |
| Security deposits  | 4.75                     | 1.66                               | -   | 6.41                      |
| Unabsorbed depreciation and brought business losses (i)          | 91,672.37                | 4,004.14                           | -   | 95,676.51                 |
| Tax credit (minimum alternative tax)                             | 691.06                   | (691.06)                           | -   | -                         |
|  | <b>110,277.80</b>        | <b>12,208.57</b>                   | -   | <b>122,486.37</b>         |
| <b>Deferred tax assets/ (liabilities) (net)</b>                  | <b>691.06</b>            | <b>(691.06)</b>                    | -   | <b>-</b>                  |

|  | (Amount in ₹ Lakhs)      |                                    |   |                           |
|--|--------------------------|------------------------------------|---|---------------------------|
|  | As at<br>1 April<br>2016 | Recognized<br>in profit or<br>loss | Recognized<br>in other<br>comprehensive<br>income | As at<br>31 March<br>2017 |
| <b>Tax effect of items constituting deferred tax liabilities</b> |                          |                                    |   |                           |
| Property, plant and equipment                                    | (86,835.62)              | (17,656.44)                        | -   | (104,492.06)              |
| Borrowings   | (745.61)                 | (218.12)                           | -   | (963.73)                  |
| Investments in preference shares                                 | (317.20)                 | (57.47)                            | -   | (374.67)                  |
| Retention money  | (1,468.92)               | 299.91                             | -   | (1,169.01)                |
| Inter corporate deposits   | (1,837.70)               | (749.57)                           | -   | (2,587.27)                |
|  | <b>(91,205.05)</b>       | <b>(18,381.69)</b>                 | -   | <b>(109,586.74)</b>       |



(Amount in ₹ Lakhs)

## Movement in deferred tax assets/ (liabilities) - continued

|   | As at<br>1 April<br>2016 | Recognized<br>in profit or<br>loss | Recognized<br>in other<br>comprehensive<br>income | As at<br>31 March<br>2017 |
|---|--------------------------|------------------------------------|---|---------------------------|
| <b>Tax effect of items constituting deferred tax assets</b> |                          |                                    |   |                           |
| Employee benefit obligations                                | 98.91                    | 138.71                             | -   | 237.62                    |
| Capital work-in-progress                                    | 1,027.99                 | 823.09                             | -   | 1,851.08                  |
| Employee stock options                                      | 20.06                    | 0.86                               | -   | 20.92                     |
| Lease equalisation reserve                                  | 7,767.80                 | 8,032.20                           | -   | 15,800.00                 |
| Security deposits   | 2.69                     | 2.06                               | -   | 4.75                      |
| Derivatives   | 14.41                    | (14.41)                            | -   | -                         |
| Unabsorbed depreciation and brought business losses (i)     | 82,273.19                | 9,399.18                           | -   | 91,672.37                 |
| Tax credit (minimum alternative tax)                        | 691.06                   | -                                  | -   | 691.06                    |
|   | <b>91,896.11</b>         | <b>18,381.69</b>                   | <b>-</b>  | <b>110,277.80</b>         |
| <b>Deferred tax assets/ (liabilities) (net)</b>             | <b>691.06</b>            | <b>-</b>                           | <b>-</b>  | <b>691.06</b>             |

- (i) The Company has restricted the recognition of deferred tax asset on unabsorbed depreciation and brought forward business losses to the extent of the corresponding deferred tax liability. The unabsorbed business losses of ₹ 23,001.90 Lakhs are available for offset for maximum period of eight years from the incurrence of loss.

(Amount in ₹ Lakhs)

## 10. Non-current tax assets (net)

Advance income tax (net of provision)

| 31 March 2018   | 31 March 2017   |
|-----------------|-----------------|
| 1,330.06        | 1,377.56        |
| <b>1,330.06</b> | <b>1,377.56</b> |

(Amount in ₹ Lakhs)

## 11. Other assets (unsecured, considered good)

|                                     | 31 March<br>2018   | 31 March<br>2017 | 31 March<br>2018 | 31 March<br>2017 |
|-------------------------------------|--------------------|------------------|------------------|------------------|
|                                     | <b>Non-current</b> |                  | <b>Current</b>   |                  |
| Capital advances                    | 42,409.99          | 64,197.31        | -                | -                |
| Other advances                      | -                  | -                | 12,454.59        | 8,680.92         |
| Prepaid expenses                    | 328.80             | 518.60           | 1,107.72         | 685.51           |
| Balances with statutory authorities | 1,051.77           | 1,373.42         | -                | -                |
| Advance to related parties          |                    |                  |                  |                  |
| Subsidiary companies                | -                  | -                | -                | 5.92             |
| Advance rent                        | -                  | -                | 0.34             | 0.26             |
|                                     | <b>43,790.56</b>   | <b>66,089.33</b> | <b>13,562.65</b> | <b>9,372.61</b>  |

## Notes Forming Part of the Financial Statements (Contd.)

of RattanIndia Power Limited (formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

|  | (Amount in ₹ Lakhs)  |                      |
|--|----------------------|----------------------|
| <b>12. Inventories (valued at cost, unless otherwise stated)</b> | <b>31 March 2018</b> | <b>31 March 2017</b> |
| Coal - Stores <sup>(i)</sup>                                     | 11,449.73            | 6,400.36             |
| Light diesel oil - stores <sup>(ii)</sup>                        | 854.10               | 106.00               |
| Stores and spares <sup>(iii)</sup>                               | 13.15                | 157.28               |
| Other consumables <sup>(iv)</sup>                                | 1,858.43             | 471.18               |
|  | <b>14,175.41</b>     | <b>7,134.82</b>      |

(i) Coal - stores includes in transit ₹ 2,831.44 lakhs (31 March 2017: ₹ 219.67 lakhs).

(ii) Light diesel oil - stores includes in transit Nil (31 March 2017: ₹ 3.20 lakhs).

(iii) Stores and spares - includes in transit ₹ 11.66 lakhs (31 March 2017: ₹ 108.66 lakhs).

(iv) Other consumables - includes in transit Nil (31 March 2017: ₹ 3.69 lakhs).

|   | (Amount in ₹ Lakhs)  |                      |
|---|----------------------|----------------------|
| <b>13. Trade receivables (unsecured, considered good unless otherwise stated)</b> | <b>31 March 2018</b> | <b>31 March 2017</b> |
| Considered good   |                      |                      |
| From others   | 132,322.25           | 78,341.00            |
| From related party  | 532.65               | 532.65               |
|   | <b>132,854.90</b>    | <b>78,873.65</b>     |

|   | (Amount in ₹ Lakhs)  |                      |
|---|----------------------|----------------------|
| <b>14. Cash and cash equivalents</b>                      | <b>31 March 2018</b> | <b>31 March 2017</b> |
| Cash on hand  | 4.49                 | 19.95                |
| Balances with banks                                       |                      |                      |
| Current accounts  | 12,164.18            | 1,494.82             |
| Deposits with original maturity of less than 3 months (i) | 626.49               | 5,097.71             |
|   | <b>12,795.16</b>     | <b>6,612.48</b>      |

(i) Deposits are pledged against bank guarantees and letter of credit, refer note 33 B (II) (1)

|   | (Amount in ₹ Lakhs)  |                      |
|---|----------------------|----------------------|
| <b>15. Other bank balances</b>  | <b>31 March 2018</b> | <b>31 March 2017</b> |
| Fixed deposits original maturity for more than 3 months but less than 12 months (i) | 2,995.71             | 1,538.18             |
|   | <b>2,995.71</b>      | <b>1,538.18</b>      |

(i) Pledged against bank guarantees and letter of credit, refer note 33 B (II) (1)

## 16. Equity share capital

### Authorised capital

5,000,000,000 (31 March 2017: 5,000,000,000) equity shares of ₹ 10 each

### Issued, subscribed and fully paid up capital

2,952,933,353 (31 March 2017: 2,952,933,353) equity shares of ₹10 each fully paid up

| (Amount in ₹ Lakhs) |                   |
|---------------------|-------------------|
| 31 March 2018       | 31 March 2017     |
| 500,000.00          | 500,000.00        |
| <b>500,000.00</b>   | <b>500,000.00</b> |
| 295,293.34          | 295,293.34        |
| <b>295,293.34</b>   | <b>295,293.34</b> |

### a) Reconciliation of equity shares outstanding at the beginning and at the end of the year.

|   | 31 March 2018        |                   | 31 March 2017        |                   |
|---|----------------------|-------------------|----------------------|-------------------|
|   | No of shares         | Amount in ₹ lakhs | No of shares         | Amount in ₹ lakhs |
| Equity shares at the beginning of the year  | 2,952,933,353        | 295,293.34        | 2,952,933,353        | 295,293.34        |
| Add : Issued during the year                | -                    | -                 | -                    | -                 |
| <b>Equity shares at the end of the year</b> | <b>2,952,933,353</b> | <b>295,293.34</b> | <b>2,952,933,353</b> | <b>295,293.34</b> |

### b) Rights/restrictions attached to equity shares

The Company has only one class of equity shares with voting rights, having a par value of ₹ 10 per share. Each shareholder of equity shares is entitled to one vote per share held. Each share is entitled to dividend, if declared, in Indian Rupees. The dividend, if any, proposed by Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in the case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the Shareholders.

### c) Shares held by the company having substantial interest

#### RattanIndia Infrastructure Limited

(Formerly known as Indiabulls Infrastructure and Power Limited)

1,185,000,000 (31 March 2017: 1,185,000,000) equity shares of ₹ 10 each fully paid

| (Amount in ₹ Lakhs) |               |
|---------------------|---------------|
| 31 March 2018       | 31 March 2017 |
| 118,500.00          | 118,500.00    |

### d) Details of shareholders holding more than 5% shares in the Company

|   | As at 31 March 2018 |           | As at 31 March 2017 |           |
|---|---------------------|-----------|---------------------|-----------|
|   | No of shares        | % Holding | No of shares        | % Holding |
| <b>Equity shares of ₹ 10 each fully paid up</b>   |                     |           |                     |           |
| RattanIndia Infrastructure Limited<br>(formerly known as Indiabulls Infrastructure and Power Limited) | 1,185,000,000       | 40.13%    | 1,185,000,000       | 40.13%    |
| RR Infralands Private Limited   | 405,000,000         | 13.72%    | 405,000,000         | 13.72%    |
| FIM Limited   | 393,273,458         | 13.32%    | 393,273,458         | 13.32%    |
| Indiabulls Real Estate Limited  | 219,050,000         | 7.42%     | 219,050,000         | 7.42%     |

### e) Aggregate number of shares reserved for issuance under stock option plans of the Company

|   | (Amount in ₹ Lakhs) |               |
|---|---------------------|---------------|
|   | 31 March 2018       | 31 March 2017 |
| RPL ESOP- 2008 (Formerly known as SPCL – IPSL ESOP, 2008) | 895,800             | 994,800       |
| RPL ESOS 2009 (Formerly known as IPL ESOS 2009)           | 294,000             | 694,400       |
| RPL ESOS 2011 (Formerly known as IPL ESOS - 2011)         | 205,000             | 432,500       |

# Notes Forming Part of the Financial Statements (Contd.)

of RattanIndia Power Limited (formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

|  | (Amount in ₹ Lakhs) |                    |
|--|---------------------|--------------------|
| 17. Other equity   | 31 March 2018       | 31 March 2017      |
| <b>Retained earnings</b>   |                     |                    |
| Opening balance  | (90,732.96)         | (58,665.59)        |
| Add : Loss for the year  | (41,837.68)         | (32,052.07)        |
| Items of other comprehensive income recognised directly in retained earnings |                     |                    |
| Re-measurements of post-employment benefit obligation, net of tax            | 23.68               | (19.18)            |
| Employee's stock options lapsed  | 25.75               | 3.88               |
| <b>Closing balance</b>   | <b>(132,521.21)</b> | <b>(90,732.96)</b> |
| <b>Capital reserve</b>   |                     |                    |
| Opening balance  | 35,376.43           | 35,376.43          |
| Add: Addition during the year  | 6,789.54            | -                  |
| <b>Closing balance</b>   | <b>42,165.97</b>    | <b>35,376.43</b>   |
| <b>Securities premium reserve</b>  |                     |                    |
| Opening balance  | 255,767.87          | 255,767.87         |
| Add : Movement during the year   | -                   | -                  |
| <b>Closing balance</b>   | <b>255,767.87</b>   | <b>255,767.87</b>  |
| <b>Employee's stock options outstanding</b>                                  |                     |                    |
| Opening balance  | 91.29               | 51.67              |
| Employee's stock options vested  | 4.85                | 43.50              |
| Employee's stock options lapsed  | (25.75)             | (3.88)             |
| Other adjustment   | (38.68)             | -                  |
| <b>Closing balance</b>   | <b>31.71</b>        | <b>91.29</b>       |
|  | <b>165,444.34</b>   | <b>200,502.63</b>  |

## Nature and purpose of other reserves

### Capital reserve

Capital reserve is created out of the capital profits. It is created out of the profits earned from some specific transactions of capital nature. Capital reserve is not available for the distribution to the shareholders. (refer note 45)

### Securities premium reserve

Securities premium reserve represents premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

### Employee's stock options reserve

The reserve account is used to recognise the grant date value of options issued to employees under Parent Company Employee stock option plan.

|  |            | (Amount in ₹ Lakhs) |                  |                  |                  |
|--|------------|---------------------|------------------|------------------|------------------|
| 18. Borrowings   |            | 31 March<br>2018    | 31 March<br>2017 | 31 March<br>2018 | 31 March<br>2017 |
|  |            | Non-current         |                  | Current          |                  |
| Secured  |            |                     |                  |                  |                  |
| Term loans (i to vi)   |            |                     |                  |                  |                  |
| From consortium of banks<br>(refer note (i), (iii), (v) and (vi))                  | 244,909.89 | 273,104.53          | 50,352.10        | 25,921.79        |                  |
| From consortium of financial institutions<br>(refer note (i), (iii), (v) and (vi)) | 216,628.69 | 247,208.29          | 53,706.80        | 29,849.38        |                  |
| From other banks<br>(refer note (ii), (iv), (v) and (vi))                          | -          | 16,950.00           | 15,545.82        | 6,500.00         |                  |
| Unsecured  |            |                     |                  |                  |                  |
| Long term maturities of finance lease obligations<br>(refer note (vii))            | 1,466.27   | 1,466.28            | 185.97           | 185.97           |                  |
|  | 463,004.85 | 538,729.10          | 119,790.69       | 62,457.14        |                  |

- (i) Loans from Consortium of Banks aggregating to ₹ 295,261.99 lakhs (31 March 2017: ₹ 299,026.32 lakhs) & from Financial Institutions aggregating to ₹ 270,335.49 lakhs (31 March 2017: ₹ 277,057.67 lakhs) are secured by way of first mortgage and charge on all immovable and movable assets, both present and future, of the Amravati Project. The aforesaid Phase I Loan Facility is further secured by the pledge of 1,181,173,342 (31 March 2017: 1,181,173,342) equity shares (40% of the total equity share capital) of the Company held by RattanIndia Infrastructure Limited ("RIL") (formerly known as Indiabulls Infrastructure and Power Limited) and RR Infralands Private Limited through execution of a Deed of Pledge amongst RIL and RR Infralands Private Limited (Pledgers), Company and Vistra (ITCL) India Limited (Formerly known as IL&FS Trust Company Limited) (IDBI Trusteeship Services Limited upto 26 March 2015) with a condition that these pledged shares must constitute 60% of the Project Equity Capital in favour of Power Finance Corporation Limited (PFC) - the lead consortium lender. Also, disbursements against cost overrun underwritten portion is secured by a pledge of 219,050,000 (31 March 2017: 219,050,000) equity shares held by Indiabulls Real Estate Limited in the Company. Additionally, the Company is required for negative lien on 11% equity shares in the Company with a condition that effective voting rights of the shares pledged and over which a negative lien is created in aggregate does not fall below 51% of the Equity Share Capital.
- (ii) (a) Loan from IDBI Bank aggregating of ₹ 13,750.00 lakhs (31 March 2017: ₹ 13,750.00 lakhs) is secured by way of hypothecation of movable fixed assets, both present and future, of the Amravati Project Phase II. The aforesaid Phase II Loan Facility is further secured by pledge of 30,000,000 (31 March 2017: 30,000,000) equity shares of the Company held by RR Infralands Private Limited.
- (b) Financial assistance to meet the funding requirement for Capital Expenditure and Long Term Working Capital requirements from ICICI Bank aggregating to ₹ 1,795.82 lakhs (31 March 2017: ₹ 9,700.00 lakhs) is secured by way of pledge of Nil (31 March 2017: 100,000,000) equity shares of the Company held by RR Infralands Private Limited.

## Notes Forming Part of the Financial Statements (Contd.)

of RattanIndia Power Limited (formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

(iii) Term loan from consortium of banks and financial institutions are repayable in quarterly installments as follows:

| Financial year | (Amount in ₹ Lakhs)    |                   |                   |                        |                   |                   |
|----------------|------------------------|-------------------|-------------------|------------------------|-------------------|-------------------|
|                | 31 March 2018          |                   |                   | 31 March 2017          |                   |                   |
|                | Financial institutions | Banks             | Total             | Financial institutions | Banks             | Total             |
| 2017-18        |                        |                   |                   | 29,153.00              | 22,886.00         | 52,039.00         |
| 2018-19        | 30,734.00              | 28,402.00         | 59,136.00         | 30,734.00              | 28,402.00         | 59,136.00         |
| 2019-20        | 30,771.00              | 32,946.00         | 63,717.00         | 30,771.00              | 32,946.00         | 63,717.00         |
| 2020-21        | 23,479.00              | 18,444.00         | 41,923.00         | 23,479.00              | 18,444.00         | 41,923.00         |
| 2021-22        | 16,182.00              | 10,085.00         | 26,267.00         | 16,182.00              | 10,085.00         | 26,267.00         |
| 2022-23        | 15,547.00              | 13,869.00         | 29,416.00         | 15,547.00              | 13,869.00         | 29,416.00         |
| 2023-24        | 15,384.00              | 15,344.00         | 30,728.00         | 15,384.00              | 15,344.00         | 30,728.00         |
| 2024-25        | 14,002.00              | 9,769.00          | 23,771.00         | 14,002.00              | 9,769.00          | 23,771.00         |
| 2025-26        | 8,809.00               | 1,266.00          | 10,075.00         | 8,809.00               | 1,266.00          | 10,075.00         |
| 2026-27        | 9,048.00               | 2,367.00          | 11,415.00         | 9,048.00               | 2,367.00          | 11,415.00         |
| 2027-28        | 12,339.00              | 6,140.00          | 18,479.00         | 12,339.00              | 6,140.00          | 18,479.00         |
| 2028-29        | 15,510.00              | 9,318.00          | 24,828.00         | 15,510.00              | 9,318.00          | 24,828.00         |
| 2029-30        | 18,846.00              | 12,499.00         | 31,345.00         | 18,846.00              | 12,499.00         | 31,345.00         |
| 2030-31        | 11,104.00              | 12,724.00         | 23,828.00         | 11,104.00              | 12,724.00         | 23,828.00         |
| 2031-32        | 4,349.00               | 18,634.00         | 22,983.00         | 4,349.00               | 18,634.00         | 22,983.00         |
| 2032-33        | 4,744.00               | 19,084.00         | 23,828.00         | 4,744.00               | 19,084.00         | 23,828.00         |
| 2033-34        | 5,929.00               | 24,998.00         | 30,927.00         | 5,929.00               | 24,998.00         | 30,927.00         |
| 2034-35        | 6,324.00               | 25,448.00         | 31,772.00         | 6,324.00               | 25,448.00         | 31,772.00         |
| 2035-36        | 4,623.00               | 13,993.00         | 18,616.00         | 4,623.00               | 13,993.00         | 18,616.00         |
|                | <b>247,724.00</b>      | <b>275,330.00</b> | <b>523,054.00</b> | <b>276,877.00</b>      | <b>298,216.00</b> | <b>575,093.00</b> |

(iv) Term loan from other banks is repayable in quarterly installments as follows:

| Financial Year | (Amount in ₹ Lakhs) |                  |
|----------------|---------------------|------------------|
|                | 31 March 2018       | 31 March 2017    |
| 2017-18        | -                   | 6,500.00         |
| 2018-19        | 9,950.00            | 9,950.00         |
| 2019-20        | 1,600.00            | 1,600.00         |
| 2020-21        | 1,600.00            | 1,600.00         |
| 2021-22        | 1,800.00            | 1,800.00         |
| 2022-23        | 2,000.00            | 2,000.00         |
| <b>Total</b>   | <b>16,950.00</b>    | <b>23,450.00</b> |

(v) The above mentioned loans from consortium of banks and financial institutions carry floating rates of interest ranging from 12.65% p.a. to 14.00% p.a. (31 March 2017: from 12.90% p.a. to 15.00% p.a.) and the term loan from other banks carries a floating rate of interest of 11.45% p.a. to 16% p.a. (31 March 2017: floating rate of interest 11.45% p.a. to 16% p.a.)

- (vi) The company has defaulted in repayment of principal and interest in respect of loans from bank and financial institutions as mentioned below:

| Particulars                             | (Amount in ₹ Lakhs) |            |             |
|---|---------------------|------------|-------------|
|   | 0-3 Months          | 3-6 Months | 6-12 Months |
| <b>Consortium financial institution</b> |                     |            |             |
| - Principal                             | 7,535.00            | 7,339.00   | 8,327.30    |
| - Interest                              | 10,908.35           | 9,027.63   | 9,640.61    |
| <b>Consortium banks</b>                 |                     |            |             |
| - Principal                             | 6,362.00            | 6,138.00   | 9,557.56    |
| - Interest                              | 12,104.76           | 9,617.76   | 15,298.86   |
| <b>Other banks</b>                      |                     |            |             |
| - Principal                             | 1,250.00            | 1,250.00   | 2,500.00    |
| - Interest                              | 607.96              | 604.86     | 1,289.97    |

- (vii) Monthly installment of ₹ 13.66 lakhs till 31 August 2103 and ₹ 2.82 lakhs till 30 April 2110 in respect of lease lands (refer note 50).

| 19. Other financial liabilities | (Amount in ₹ Lakhs) |                 |
|---------------------------------|---------------------|-----------------|
|                                 | 31 March 2018       | 31 March 2017   |
|                                 | <b>Non-Current</b>  |                 |
| Retention money                 | 8,204.42            | 7,219.45        |
| Lease equilisation reserve      | 103.81              | 121.60          |
|                                 | <b>8,308.23</b>     | <b>7,341.05</b> |

| 20A. Provisions  | (Amount in ₹ Lakhs) |               |
|--|---------------------|---------------|
|  | 31 March 2018       | 31 March 2017 |
|  | <b>Non-Current</b>  |               |
| <b>Provision for employee benefits (refer note 37)</b> |                     |               |
| Provision for compensated absences (unfunded)          | 216.25              | 217.40        |
| Provision for gratuity (unfunded)                      | 440.63              | 391.97        |
|  | <b>656.88</b>       | <b>609.37</b> |

| 20B. Provisions  | (Amount in ₹ Lakhs) |                 |
|--|---------------------|-----------------|
|  | 31 March 2018       | 31 March 2017   |
|  | <b>Current</b>      |                 |
| <b>Provision for employee benefits (refer note 37)</b> |                     |                 |
| Provision for compensated absences (unfunded)          | 37.67               | 31.98           |
| Provision for gratuity (unfunded)                      | 75.91               | 45.26           |
| <b>Provision others</b>                                |                     |                 |
| Provision for compensation payable (i)                 | 5,172.52            | 2,751.50        |
|  | <b>5,286.10</b>     | <b>2,828.74</b> |

- (i) Provision for penalty due to non supply of upto 80% contract capacity under power purchase agreement.

## Notes Forming Part of the Financial Statements (Contd.)

of RattanIndia Power Limited (formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

|                                    | (Amount in ₹ Lakhs) |                 |
|------------------------------------|---------------------|-----------------|
|                                    | 31 March 2018       | 31 March 2017   |
| <b>Movement in other provision</b> |                     |                 |
| <b>Liquidated damages</b>          |                     |                 |
| Opening balance                    | 2,751.50            | 2,751.50        |
| Accrued during the year            | 2,421.02            | -               |
| <b>Closing balance</b>             | <b>5,172.52</b>     | <b>2,751.50</b> |

|  | (Amount in ₹ Lakhs) |                  |
|--|---------------------|------------------|
|  | 31 March 2018       | 31 March 2017    |
| <b>21. Other non-current liabilities</b> |                     |                  |
| Lease equalisation reserve               | 64,715.57           | 45,631.42        |
|  | <b>64,715.57</b>    | <b>45,631.42</b> |

|  | (Amount in ₹ Lakhs) |                   |
|--|---------------------|-------------------|
|  | 31 March 2018       | 31 March 2017     |
| <b>22. Borrowings (Short-term)</b>   |                     |                   |
| <b>Secured</b>   |                     |                   |
| Cash credit facility from banks (refer note (i) and (iv))                        | 75,687.44           | 74,318.16         |
| Short-term loans :   |                     |                   |
| From financial institution (refer note (ii) and (iv))                            | 15,500.00           | 15,500.00         |
| Loans from related parties - inter corporate deposits (refer note (iii) and (v)) | 66,623.43           | -                 |
| <b>Unsecured</b>   |                     |                   |
| Loans from related parties - inter corporate deposits (refer note (v))           | 35,493.96           | 111,995.39        |
|  | <b>193,304.83</b>   | <b>201,813.55</b> |

- (i) The facilities are secured by hypothecation charges on all movables and mortgage of immovable assets, present and future, of the project under implementation by way of first charge ranking pari passu.
- (ii) Short term loan facility from financial institution - Power Finance Corporation Limited is secured by Pari passu charge over the Company's immovable assets and movables assets relating to the Project (current & fixed) including movable plant, machinery, equipments, machinery spares, tools, accessories, furniture, fixtures, vehicles and all other movable assets, both present and future, the stock of raw materials, semi-finished and finished goods, consumable goods relating to the project site, intangible assets, book debts, operating cash flow, revenue & receivables of the Company relating to the project and all current assets, commissions and any revenue of any nature, trust and retention account, letter of credit, other reserves and any other bank accounts in relation to the project and on all rights, titles, interest, benefits, claims and demands relating to the project.
- (iii) During the year, for the purpose of securing repayment of inter company loan, the Company has pledged 50,000 share of Poena Power Development Limited in favour of lenders of inter company loan.
- (iv) The company has defaulted in repayment of interest in respect of cash credit facility and short term loan as mentioned below:

|                       | (Amount in ₹ Lakhs) |            |             |
|-----------------------|---------------------|------------|-------------|
|                       | 0-3 Months          | 3-6 Months | 6-12 Months |
| Financial Institution | 569.92              | 492.71     | 498.12      |
| Other banks           | 2,294.78            | 1,861.90   | 3,001.78    |

- (v) There were no continuing defaults in repayment of inter corporate deposits and interest thereon as at 31 March 2018 and 31 March 2017.



## 23. Trade payables

Due to micro and small enterprises (refer note 46)

Due to others

Dues for goods and services

(Amount in ₹ Lakhs)

| 31 March 2018   | 31 March 2017   |
|-----------------|-----------------|
| -               | -               |
| 4,501.14        | 1,151.20        |
| <b>4,501.14</b> | <b>1,151.20</b> |

## 24. Other financial liabilities

Current maturities of (refer note 18)

Term loan from consortium of banks

Term loan from consortium of financial institutions

Term loan from other banks

Finance lease obligations

Interest accrued on

Term loans

Cash credit facility

Inter-corporate deposits

Retention money

Payable for purchase of property, plant and equipment

Expenses payable

Security and earnest money deposits from customers

Bills of exchange payable

(Amount in ₹ Lakhs)

| 31 March 2018     | 31 March 2017     |
|-------------------|-------------------|
| Current           |                   |
| 50,352.10         | 25,921.79         |
| 53,706.80         | 29,849.38         |
| 15,545.82         | 6,500.00          |
| 185.97            | 185.97            |
| 75,453.94         | 12,598.82         |
| 8,827.99          | 181.33            |
| -                 | 4,113.74          |
| 12,219.26         | 12,052.74         |
| 22,304.36         | 23,334.70         |
| 5,558.18          | 8,187.89          |
| 28.75             | 33.75             |
| 0.53              | 0.53              |
| <b>244,183.70</b> | <b>122,960.64</b> |

## 25. Other current liabilities

Statutory dues

Advance from customers

(Amount in ₹ Lakhs)

| 31 March 2018 | 31 March 2017 |
|---------------|---------------|
| 110.92        | 705.94        |
| 47.74         | -             |
| <b>158.66</b> | <b>705.94</b> |

# Notes Forming Part of the Financial Statements (Contd.)

of RattanIndia Power Limited (formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

## 26. Revenue from operations

### Operating revenue

Revenue from operation of power plant  
Income from embedded lease of power plant

(Amount in ₹ Lakhs)

| 31 March 2018     | 31 March 2017     |
|-------------------|-------------------|
| 140,221.87        | 58,490.91         |
| 61,316.34         | 74,959.43         |
| <b>201,538.21</b> | <b>133,450.34</b> |

## 27. Other income

### Income from current investments

Dividend received

(Amount in ₹ Lakhs)

| 31 March 2018 | 31 March 2017 |
|---------------|---------------|
| 277.99        | 65.02         |
| <b>277.99</b> | <b>65.02</b>  |

### Interest on

Bank deposits  
Security deposits  
Inter corporate deposits  
Overdue trade receivables  
Income tax/ VAT refund  
Preference shares

|                  |                  |
|------------------|------------------|
| 527.81           | 501.20           |
| 70.24            | 52.74            |
| 2,001.08         | 1,917.03         |
| 13,121.03        | 14,148.57        |
| 20.64            | 21.56            |
| 182.20           | 166.06           |
| <b>15,923.00</b> | <b>16,807.16</b> |

### Other income

Profit on sale of investments  
Provisions written back  
Gain on foreign currency transactions and translation (net)  
Profit on sale of property, plant & equipments  
Miscellaneous income

|                  |                  |
|------------------|------------------|
| 1,772.87         | 1.44             |
| 4,253.14         | -                |
| 37.54            | -                |
| 2.20             | 0.06             |
| 144.36           | 47.95            |
| <b>6,210.11</b>  | <b>49.45</b>     |
| <b>22,411.10</b> | <b>16,921.63</b> |

## 28. Cost of fuel, water and power consumed

Coal consumed  
Electricity consumed  
Water consumed

(Amount in ₹ Lakhs)

| 31 March 2018     | 31 March 2017    |
|-------------------|------------------|
| 116,788.18        | 44,465.87        |
| 308.04            | 1,409.56         |
| 987.97            | 800.18           |
| <b>118,084.19</b> | <b>46,675.61</b> |

## 29. Employee benefits expense

Salaries and wages  
Contribution to provident and other funds  
Provision for gratuity and compensated absences  
Recruitment and training  
Staff welfare expenses

(Amount in ₹ Lakhs)

| 31 March 2018   | 31 March 2017   |
|-----------------|-----------------|
| 4,375.76        | 4,425.88        |
| 49.03           | 40.97           |
| 170.10          | 147.13          |
| -               | 3.15            |
| 52.83           | 49.32           |
| <b>4,647.72</b> | <b>4,666.45</b> |

## 30. Finance costs

### Interest on

|                          |
|--------------------------|
| Term loans               |
| Inter corporate deposits |
| Cash credit facility     |
| Short-term loan facility |
| Acceptances              |
| Others                   |

### Other finance costs

|                          |
|--------------------------|
| Loan processing fees     |
| Letter of credit charges |
| Bank guarantee charges   |

(Amount in ₹ Lakhs)

| 31 March 2018    | 31 March 2017     |
|------------------|-------------------|
| 84,035.36        | 81,043.33         |
| 2,874.40         | 8,288.69          |
| 9,779.00         | 8,520.83          |
| 2,152.95         | 2,437.41          |
| -                | 136.47            |
| 0.14             | 0.29              |
| 231.47           | 716.92            |
| 3.94             | 5.34              |
| 586.01           | 559.12            |
| <b>99,663.27</b> | <b>101,708.40</b> |

## 31. Depreciation and amortisation expense

### Depreciation on

|                               |
|-------------------------------|
| Property, plant and equipment |
|-------------------------------|

### Amortisation on

|                   |
|-------------------|
| Intangible assets |
|-------------------|

(Amount in ₹ Lakhs)

| 31 March 2018    | 31 March 2017    |
|------------------|------------------|
| 23,835.82        | 20,677.87        |
| 76.40            | 82.18            |
| <b>23,912.22</b> | <b>20,760.05</b> |

## 32. Other expenses

|   |
|---|
| Rent  |
| Rates and taxes   |
| Legal and professional charges                              |
| Communication   |
| Printing and stationery                                     |
| Travelling and conveyance                                   |
| Operation and maintenance expenses                          |
| Insurance expenses  |
| Running and maintenance - vehicles                          |
| Repairs and maintenance                                     |
| Office  |
| Others  |
| Security expenses   |
| Investment written off (refer note 6A)                      |
| Payments to statutory auditors                              |
| Payments to cost auditors                                   |
| Loss on foreign currency transactions and translation (net) |
| Provision for compensation payable                          |
| Miscellaneous expenses                                      |

(Amount in ₹ Lakhs)

| 31 March 2018    | 31 March 2017   |
|------------------|-----------------|
| 472.37           | 391.63          |
| 334.53           | 262.05          |
| 4,245.32         | 622.01          |
| 51.61            | 86.47           |
| 35.76            | 35.97           |
| 227.35           | 261.12          |
| 3,976.91         | 4,604.31        |
| 1,480.95         | 610.53          |
| 27.17            | 21.67           |
| 180.98           | 176.59          |
| 142.02           | 89.37           |
| 305.44           | 294.13          |
| 4,629.48         | -               |
| 44.00            | 53.00           |
| 0.25             | 0.25            |
| -                | 457.89          |
| 2,421.02         | -               |
| 213.37           | 646.54          |
| <b>18,788.53</b> | <b>8,613.53</b> |

## Notes Forming Part of the Financial Statements (Contd.)

of RattanIndia Power Limited (formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

### 33. Details of contingent liabilities, pending litigations and other matters:

#### A. Contingent Liabilities of pending litigations not provided for in respect of:

- 1 The Water Resource Department ('WRD' or "Respondent") vide their letter dated 29 January 2013 raised a demand of ₹ 23,218 lakhs on Company for payment of irrigation restoration charges @ ₹ 1 lakh per hectare as per Government Resolution (GR) dated 6 March 2009 instead of ₹ 0.50 lakh per hectare as provided in circular from Water Resources Department, Government of Maharashtra dated 21 February 2004. The Company had paid ₹ 11,657 lakhs (@ ₹ 0.50 lakh per hectare) and filed a Writ Petition with the Hon'ble Bombay High Court on 13 February 2013 challenging the validity of demand so raised by WRD. The Mumbai bench of Hon'ble Bombay High Court vide its Order dated 3 August 2015 transferred the matter to the Nagpur Bench. The Nagpur bench vide its order dated 5 May 2016 has partly allowed the petition and declared that demand at revised rate i.e. as per GR dated 6 March 2009 from the petitioner is illegal and unsustainable. As per Nagpur Bench order, the rate prescribed in the GR dated 6 March 2009 is applicable prospectively from 1 April 2009 and is not applicable in case of the Company to whom water allocation was finalized on 12 December 2007.

Pursuant to this, Maharashtra State Government filed a Special Leave Petition ("SPL") before the Hon'ble Supreme Court of India. The Hon'ble Court after hearing parties granted time to the Company to file its Counter Affidavit. The Company is ready with its reply which will be filed on or before next date of hearing which is likely to be listed on 27 August 2018.

- 2 During the year ended 2010-11, the Company entered into a contract with Bharat Heavy Electrical Limited ('BHEL') for erection and supply of certain material for phase II of its power project at Amravati. Subsequent to this contract, BHEL supplied certain materials which were not warranted at that time and there were various communication made by the Company with BHEL to take off these materials from the site. Against this, BHEL initiated arbitration proceeding against the Company, alleging the payment outstanding against the Company in respect of the materials so supplied by them. The Hon'ble High Court also disposed off the petition upon the instruction to the parties that petition before Hon'ble High Court be treated as an application under Section 17 of the Arbitration and Conciliation Act, 1996 before the Arbitral Tribunal. Subsequent to this, BHEL filed the following applications on 14 April 2016 with Arbitral Tribunal:

1. Application under Section 17 of the Arbitration and Conciliation Act, 1996 seeking an interim prayer of release of bank guarantees.
2. Application seeking amendment of the Claim petition.
3. Application under Section 31(6) of the Arbitration and Conciliation Act, 1996 seeking an interim award on the basis of admissions.

On BHEL's application for seeking interim award based on admissions, the tribunal has heard the arguments of both BHEL and the Company and the tribunal has passed an interim award of ₹ 11,500 lakh against the Company vide its order dated 27 July 2017.

A Petition has also been filed by BHEL praying the Hon'ble High Court to issue warrants of attachment/ or auction sale of immovable and movable assets of the Company for realizing the amount payable/due as per the Interim award dated 27 July 2017. The matter is listed for hearing post the decision on the validity of the interim award which is slated on 17 July 2018.

The Company filed an appeal against the said interim award on 16 October 2017 with the Hon'ble High Court. Based on the legal appraisal of the case, Company is confident that the matter will be disposed off in their favour.

3. The Company had developed a railway line track and constructed a boundary wall around the railway yard and power plant at Amravati on the land allotted to the Company by MIDC. In this respect, Mr. Keshav Puranlal Bunde and others ('Plaintiffs') alleged that the approach road to their land has been obstructed and they are unable to access their land for cultivation. A suit for seeking declaration/ injunction for right of way was been filed before the Civil Judge, Senior Division, Amravati by the Plaintiffs against the Company during the year 2015-16. The Company denied the allegations in its written statement and is contesting the suit and the Hon'ble Court also declined the prayer of the Plaintiffs for grant of temporary injunction.

The Plaintiffs then filed a civil appeal with regard to this matter against the Court's order of declining the prayer of the Plaintiffs for grant of temporary injunction. The matter is now listed for hearing on 16 July 2018.

The pecuniary risk involved in the present case cannot be quantified. Further, based on legal appraisal, the management believes that no liability will not devolve on the Company.

4. The Company is using various Microsoft programs/ softwares. During the year ended 31 March 2015, Microsoft Corporation alleged that there is shortfall in the entitled software licenses being used by the Company in its offices and thus the Company has infringed copyright in the Microsoft program/software titles. A suit has been filed by Microsoft Corporation before Hon'ble High Court of Delhi on 18 December 2015 against the Company praying for permanent injunction against the Company and further prayed for rendition of accounts of profits and for damages. The matter is currently listed for evidence of the parties. The next date of hearing in the matter is 31 July 2018 before the Ld. Joint Registrar. The pecuniary risk involved in the present case cannot be quantified. Further, based on legal appraisal, the management believes that no liability will not devolve on the Company.
5. A vendor had done work for supply, plantation and maintenance of 100,000 trees at the Company's power plant pursuant to work order dated 25 May 2012. The Company terminated the contract vide letter dated 6 February 2014 due to unsatisfactory performance and also claimed liquidated damages from the vendor. On termination of contract by the Company, vendor alleged that the contract was wrongly terminated by the Company, only to avoid outstanding payment. The vendor has filed an Civil Suit on 3.12.2015 before Civil Judge Senior Division, Amravati claiming ₹ 116.25 Lakhs and court fees of ₹ 1.54 Lakhs against the work done. The Company has filed an application under section 8 of the Arbitration and conciliation Act for the dismissal of the suit. The matter is now listed for Order. The pecuniary risk involved in the present case cannot be quantified. Based on the legal appraisal of the case, Company is confident that the matter will be disposed off in their favour.
6. During the year ended 2015-16, Tahsildar of Amravati vide it's order dated 24 February 2016 directed the Company to deposit the amount of ₹ 400 Lakhs towards the payment of royalty for using the minor minerals excavated during the construction of the power plant of the Company and utilized in the embankment work of railway line on the plot of MIDC allotted to the Company. The Company has filed a writ petition before the Nagpur bench of Hon'ble Bombay High Court against the order passed by Tahsildar. The Hon'ble Court vide its Order dated 15 December 2016 has issued a stay in the matter. The pecuniary risk involved in the present case cannot be quantified. Further, based on legal appraisal, the management believes that no liability will devolve on the Company.
7. Becquerel Industries Private Limited has filed a suit for recovery of ₹ 20.73 Lakhs against M/s Preeti Engineering before Civil Court at Nagpur on 15 April 2015 alleging that their dues are pending against M/s Preeti Engineering to whom the Non-Distractive Testing work had been sublet by M/s Brothers Engineering. The work to M/s Brothers Engineering was been sublet by BHEL to whom contract was awarded by the Company. The summon were serviced to M/s Preeti Engineering, M/s Bothers Engineering, BHEL and the Company. The Company has filed its reply and the matter is now listed for hearing. The pecuniary risk involved in the present case cannot be quantified. Further, based on legal appraisal, the management believes that no liability will not devolve on the Company.
8. A Suo Moto Public Interest Litigation ('PIL') has been registered before Hon'ble Bombay High Court on 27 August 2014 with regard to the occupation hazards of the employees working in various thermal power plants stations in the country. The Company (due to it's plant at Amravati) has been made a party in the said PIL. The Company has filed its reply before Bombay High Court. One of the parties (Respondent) has filed an Application for Intervention. The matter is listed for hearing in respect to the Application for Intervention along with the PIL. The pecuniary risk involved in the present case cannot be quantified.

**B. Contingent Liabilities of Demand pending under the Income Tax Act, 1961 and other matters not provided for in respect of:**

**I Under the Income Tax Act, 1961**

- 1 The Company received a demand of ₹ 77.38 Lakhs under section 143(3) of the Income Tax Act, 1961 ("IT Act") in respect of the FY 2009-10 for disallowance u/s 14A of the IT Act, against which appeal had been filed by the Company during the FY 2015-16 which is pending before ITAT Delhi. The aforesaid demand of ₹ 77.38 Lakhs had been adjusted against refund for the AY 2013-14 by the Income Tax department against which Company filed another appeal during the FY 2015-16 which is also pending before ITAT Delhi as at 31 March 2018.
- 2 During the year, the Company filed income tax returns for the assessment year from 2011-12 to 2016-17 pursuant to notice received under section 153 of Income-tax Act, 1961.

## Notes Forming Part of the Financial Statements (Contd.)

of RattanIndia Power Limited (formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

### II Others

- 1 Company has provided a commitment bank guarantee of ₹ 5,903.79 Lakhs (31 March 2017: ₹ 5,903.79 Lakhs) on behalf of RattanIndia Nasik Power Limited (formerly known as Indiabulls Realtech Limited) (RNPL), a wholly owned subsidiary of the Company, to subsidiaries of Coal India Limited for issuance of Letter of Assurance for supply of coal for RNPL's Nashik Thermal Power Project, partly secured by way of bank lien on fixed deposits of ₹ 442.95 Lakhs (31 March 2017: ₹ 442.95 Lakhs) of the Company and partly by way of bank lien on fixed deposits of ₹ 152.44 Lakhs (31 March 2017: ₹ 152.44 Lakhs) of RattanIndia Nasik Power Limited.
- 2 Guarantee provided on behalf of RNPL, jointly with RattanIndia Infrastructure Limited (RIL) favoring Axis bank towards credit facility of ₹ 39,783.00 Lakhs. In the event of any default on the part of RNPL in payment/repayment or any of the monies, guarantors shall ensure that the borrower shall duly and punctually repay the credit facility together with all interest, liquidated damages, premium on prepayment or on redemption, costs, expenses and other monies in accordance with the facility documentation, or in the event of any default on the part of the RNPL to comply with or perform any of the terms, conditions and covenants contained in the facility documentation, the guarantors unconditionally and irrevocably undertakes to pay the bank forthwith on demand without protest or demur and without proof or condition shall, upon demand, forthwith pay to bank all the amounts payable by RNPL under the facility documentation together with interest at 2% above the rate as per Axis Bank sanction terms on the amounts so demanded from them in the event of any delay in making the payment to the bank.
- 3 For the purpose of further disbursement against Cost Over Run -1 facility and Cost Over Run-2 sanctioned by Power Finance Corporation (PFC) to RNPL, the Company, RIL, RR Infralands Private Limited (RIPL) and Mr. Rajiv Rattan (Individual promoter) has irrevocably and unconditionally acknowledge, represent, accept, certify undertake declare, confirm and assure :
  - a. to bear cost, if any, arising out of non-supply of power to MSEDCL under PPA signed by RNPL in April, 2012 for supply of 650 MW power from the project from their own sources without any recourse to the project assets and lenders.
  - b. to bear cost/penalties payable, if any, to SPTCL or any other entity, arising due to delay in completion of generation project beyond commissioning of its transmission system, from their own sources without any recourse to project assets and lenders.
- 4 Undertaking provided by the Company on behalf of RNPL, jointly with RIL and RIPL, in favour of Rural Electrification Corporation Limited (REC). Parties to the undertaking irrevocably and unconditionally declare and assure that they shall (jointly and severally), in the event there is shortfall in servicing of the facility including applicable interest, arrange for additional funds from their own resources without any recourse to the project assets/lenders.

Parties to the undertaking irrevocably and unconditionally declare and assure that in the event they fail to fulfill their obligations listed in undertaking document, in the manner and time stipulated therein in the underwritten and consolidated facility agreement, there would be recourse against the borrower, and it shall be an event of default under the underwritten and consolidated facility agreement and Secured Parties/Lenders may take such other action as may be contemplated thereunder.

Future cash outflows in respect of the above, if any, is determinable only on receipt of judgement/ decision pending with the relevant authorities. The Company does not expect the outcome of the matters stated above to have a material adverse impact on its financial condition, results of operations and cash flows.

The Company is involved in various legal proceedings and other regulatory matters relating to conduct of its business. In respect of the other claims, the Company believes, these claims do not constitute material litigation matters and with its meritorious defenses, the ultimate disposition in these matters will not have material adverse effect on its Financial Statements.

### C. Other pending litigations as on 31 March 2018 are:

- 1 The Company is supplying power to Maharashtra State Electricity Distribution Company Limited (MSDCL) based on two power purchase agreements (PPAs) for supply of 1200 MW (450 MW + 750 MW respectively) of power for

25 years. The PPAs were executed based on the fuel supply agreement (FSA) which provided that domestic coal linkages would be available to meet the fuel requirements. However, adequate coal supply was not made available which adversely impacted cost as Company had to source fuel from alternate sources to meet the shortfall of coal supplied under FSA with coal supplier. The Cabinet Committee of Economic Affairs (CCEA) approved mechanism where after Ministry of Coal amended the National Coal Distribution Policy (NCDP) and communicated its decision to allow pass through of the incremental cost of procuring coal from alternative sources to meet the shortfall in supply of domestic coal under coal linkage.

The Company filed a petition before Maharashtra Electricity Regulatory Commission ('MERC' or 'the Commission') in year 2013 for realizing the shortfall in supply under NCDP. MERC vide its Order on 15 July 2014 laid down methodology to recover compensatory fuel charges and vide Order dated 20 August 2014.

On 28 August 2014, the Company filed a review petition before MERC against the Orders dated 15 July 2014 as well as Order dated 20 August 2014 and MSEDCL further filed review petition against the Orders of MERC dated 20 August 2014. The review petition filed by MSEDCL got dismissed vide Order dated 16 July 2015 and the review petition filed by the Company also got dismissed vide Order 30 October 2015. As at the balance sheet date, the Company has accounted such claim in the books of accounts aggregating to ₹ 28,658.80 lakh and related late payment surcharge thereon.

The Company then filed appeals before Appellate Tribunal for Electricity (APTEL) against Orders dated 15 July 2014, 20 August 2014 and 30 October 2015. The said appeals were disposed off by the Hon'ble Tribunal on 4 May 2017, remanding the matters to the Maharashtra Electricity Regulation Commission ('MERC') for fresh adjudication in the light of the direction of the Hon'ble Supreme Court in case of Energy Watchdog and Ors v/s CERC and ors. Dated 11 April 2017. MERC heard the matter on 15 November 2017 and reserved its Order. Subsequent to the balance sheet date, on 3 April 2018, MERC has passed the said Order, whereby MERC principally held that the Company is entitled to compensation and a methodology to recover compensatory fuel charges has been laid down. The Company is in process of challenging the said order as in its view, the order passed by MERC is not fully on the principle of "restoration of the affected party to the same economic position as if the change in law event didn't occur". Company is confident that when an appeal is filed with APTEL, the Hon'ble Tribunal is likely to set out a mechanism for compensation restoring the Company to the same economic position as if such Change in Law has not occurred.

- 2 There has been an increase in cost of power generation owing to increase in various statutory taxes, duties, levies, cess, surcharge etc. Based on various judgements from CERC involving similar situations, management has concluded that these charges are recoverable from MSEDCL under "Change in Law" clause of PPA and during the year the Company has recorded revenue of ₹ 1,439.42 Lakhs (31 March 2017: ₹ 207.09 Lakhs). The Company filed a petition with MERC on 15 June 2016 claiming approval of additional components of costs under change in law. Subsequent to the balance sheet date, MERC has issued order dated 5 April 2018 in this respect.
- 3 During the year 2015-16, Water Resource Department ('WRD') demanded water commitment charges amounting to ₹ 595.72 Lakhs, for water connection being used by the Company. The Company filed a petition before the Nagpur bench of Hon'ble Bombay High Court challenging the said demand of water commitment charges and also sought for refund of ₹ 593.22 Lakhs commitment charges already paid by the Company to WRD prior to the aforesaid demand. On 14 July 2017, the Hon'ble High Court disposed off the case in Company's favour quashing the demand notice and upholding/ declaring that the amount of ₹ 593.22 Lakhs collected by Irrigation Department, Government of Maharashtra from the Company towards commitment charges up till now, is without any authority of law and therefore, the Company is entitled to get refund of the same along with penal interest. Against this order, WRD filed an SLP before Hon'ble Supreme Court of India. The matter is still sub-judice, however, based on legal appraisal, the management is confident of favourable order.
- 34 Estimated amount of contracts remaining to be executed on account of capital and other commitments towards the Project not provided for: ₹ 13,078.57 lakhs (31 March 2017: ₹ 570,308.09 lakhs) – advances made there against ₹ 735.80 lakhs (31 March 2017: ₹ 59,871.21 lakhs).
- 35 The Company is covered under Section 135 of the Companies Act, 2013 and accordingly constituted a Corporate Social Responsibility Committee of the Board. However, as the Company did not have average net profits based on the immediately preceding three financial years, the Company is not required to spend amounts towards Corporate Social Responsibility in terms of the Companies Act, 2013.



## Notes Forming Part of the Financial Statements (Contd.)

of RattanIndia Power Limited (formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

### 36 Employee Stock Options Schemes

The Company has formulated ESOS/ ESOP schemes for applicable/ eligible employees. The schemes so formulated are also applicable to the eligible employees of its subsidiaries and of other Companies under common control with the Company. The subsidiaries have adopted the said schemes of the Company which are administered by a Compensation Committee constituted by the Board of Directors of the Company. The Company does not seek reimbursement of expenses from subsidiary companies for ESOP granted to employees of subsidiary companies.

#### Stock Option Schemes of RattanIndia Power Limited ("RPL"):

##### RPL ESOP - 2008

On 10 January 2008 the erstwhile IPSL, had established the IPSL ESOS Plan, under which, IPSL was authorised to issue upto 20,000,000 equity settled options at an exercise price of ₹ 10 per option to eligible employees. Employees covered by the plan were granted an option to purchase equity shares of IPSL subject to the requirements of vesting. A Compensation Committee constituted by the Board of Directors of IPSL administered the plan. All these options were outstanding as at 1 April 2008.

Pursuant to a Scheme of Amalgamation under Sections 391 to 394 of the Companies Act, 1956, duly approved by the Hon'ble High Court of Delhi at New Delhi vide its order dated 1 September 2008, IPSL was amalgamated with Sophia Power Company Limited ("SPCL"). With effect from the Appointed Date the IPSL ESOS Plan was terminated and in lieu, in terms of Clause 14 (c) of the Scheme of Amalgamation, SPCL – IPSL Employees Stock Option Plan - 2008 ("SPCL – IPSL ESOP - 2008") was established in SPCL for the outstanding, unvested options for the benefit of the erstwhile IPSL option holders, on terms and conditions not less favorable than those provided in the erstwhile IPSL ESOS Plan and taking into account the share exchange ratio i.e. one equity share of SPCL of face value ₹ 10 each for every one equity share of IPSL of face value ₹ 10 each. All the option holders under the IPSL ESOS Plan on the Effective Date were granted options under the SPCL – IPSL ESOP - 2008 in lieu of their cancelled options under the IPSL ESOS Plan. The SPCL – IPSL ESOP - 2008 was treated as a continuation of the IPSL ESOS Plan and all such options were treated outstanding from their respective date of grant under the IPSL ESOS Plan. During the year ended 31 March 2015, pursuant to the name change of the Company from Indiabulls Power Limited. to RattanIndia Power Limited, the name of the ESOP scheme SPCL - IPSL Employees' Stock Option Plan 2008 ("SPCL-IPSL ESOP 2008") was changed to RattanIndia Power Limited Employees' Stock Option Plan 2008 ("RPL ESOP 2008"). These options vest uniformly over a period of 10 years commencing one year after the date of grant.

##### RPL ESOS 2009

During the financial year ended 31 March 2010, the Company had established the "Indiabulls Power Limited Employees' Stock Option Scheme 2009" ("IPL ESOS 2009"). The Company had issued 20,000,000 equity settled options at an exercise price of ₹ 14 per option under the IPL ESOS 2009 to eligible employees which gave them the right to subscribe to stock options representing an equal number of equity shares of face value ₹ 10 each of RPL. During the year ended 31 March 2015, pursuant to the name change of the Company from Indiabulls Power Limited. to RattanIndia Power Limited, the name of the ESOS scheme IPL ESOS 2009 was changed to RattanIndia Power Limited Employees' Stock Option Scheme 2009 ("RPL ESOS 2009"). These options vest uniformly over a period of 10 years commencing one year after the date of grant.

##### RPL ESOS 2011

During the financial year ended 31 March 2012, the Company has established the "Indiabulls Power Limited Employee Stock Option Scheme -2011" ("IPL ESOS -2011"). The Company had issued 50,000,000 equity settled options at an exercise price of ₹ 12 per option equivalent to the fair market value of the equity shares of RPL on the date of grant of option under the IPL ESOS -2011 to the eligible employees of the Company which gave them the right to subscribe an equal number of equity shares of face value of ₹ 10 each of RPL. During the year ended 31 March 2015, pursuant to the name change of the Company from Indiabulls Power Limited. to RattanIndia Power Limited, the name of the ESOS scheme IPL ESOS 2011 was changed to RattanIndia Power Limited Employees' Stock Option Scheme 2011 ("RPL ESOS 2011"). These options vest uniformly over a period of 10 years commencing one year after the date of grant.

The Fair values of the options under the RPL ESOP – 2008, RPL ESOS 2009 and RPL ESOS 2011 using the binomial pricing model based on the following parameters, is Re. 1.00 per option for RPL ESOS 2009, as certified by an independent firm of Chartered Accountants. The fair value of the re-granted options under the RPL ESOP - 2008 plan is ₹ 1.58 per option and under RPL ESOS 2011 plan is ₹ 1.78 per option as certified by an independent firm of Chartered Accountants.



| Sr. No. | Particulars   | RPL ESOP - 2008          | RPL ESOS 2009        | RPL ESOS 2011             |
|---------|---|--------------------------|----------------------|---------------------------|
|         |   | Grant on 10 January 2008 | Grant on 4 July 2009 | Grant on 7 October 2011   |
| 1       | Exercise price (₹ Per option)                       | ₹ 10.00                  | ₹ 14.00              | ₹ 12.00                   |
| 2       | Expected volatility                                 | 0%                       | 0%                   | 30.48%                    |
| 3       | Expected forfeiture percentage on each vesting date | 5%                       | 5%                   | 0%                        |
| 4       | Option life   | 1 through 10 years       | 1 through 10 years   | 1 through 10 years        |
| 5       | Expected dividend yield                             | 8%                       | 6.50%                | 16.67 % from 2014 onwards |
| 6       | Risk free rate of interest                          | 8%                       | 6.50%                | 8.12% to 8.72%            |

**Summary of options granted in respect of the RPL ESOP-2008 are as under:**

| Particulars                                 | 31 March 2018                                 |                   | 31 March 2017                                 |                   |
|---|---|-------------------|---|-------------------|
|   | Average exercise price per share option (INR) | Number of options | Average exercise price per share option (INR) | Number of options |
| Opening balance                             | 10  | 994,800           | 10  | 1,093,800         |
| Options surrendered/ lapsed during the year | 10  | 99,000            | 10  | 99,000            |
| Closing balance                             | 10  | 895,800           | 10  | 994,800           |
| Vested and exercisable options              |   | 895,800           |   | 696,600           |

| Particulars   | 31 March 2018 | 31 March 2017 |
|---|---------------|---------------|
| Weighted average remaining contractual life of options outstanding at the end of period | 37 months     | 43 months     |

**Summary of options granted in respect of the RPL ESOS 2009 are as under:**

| Particulars                                 | 31 March 2018                                 |                   | 31 March 2017                                 |                   |
|---|---|-------------------|---|-------------------|
|   | Average exercise price per share option (INR) | Number of options | Average exercise price per share option (INR) | Number of options |
| Opening balance                             | 14  | 694,400           | 14  | 815,200           |
| Options surrendered/ lapsed during the year | 14  | 302,800           | 14  | 120,800           |
| Closing balance                             | 14  | 391,600           | 14  | 694,400           |
| Vested and exercisable options              |   | 294,000           |   | 434,000           |

| Particulars   | 31 March 2018 | 31 March 2017 |
|---|---------------|---------------|
| Weighted average remaining contractual life of options outstanding at the end of period | 38 months     | 38 months     |

## Notes Forming Part of the Financial Statements (Contd.)

of RattanIndia Power Limited (formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

Summary of options granted in respect of the RPL ESOS 2011 are as under:

| Particulars                                 | 31 March 2018                                 |                   | 31 March 2017                                 |                   |
|---|---|-------------------|---|-------------------|
|   | Average exercise price per share option (INR) | Number of options | Average exercise price per share option (INR) | Number of options |
| Opening balance                             | 12  | 432,500           | 12  | 495,000           |
| Options surrendered/ lapsed during the year | 12  | 63,500            | 12  | 62,500            |
| Closing balance                             | 12  | 369,000           | 12  | 432,500           |
| Vested and exercisable options              |   | 205,000           |   | 205,000           |

| Particulars   | 31 March 2018 | 31 March 2017 |
|---|---------------|---------------|
| Weighted average remaining contractual life of options outstanding at the end of period | 33 months     | 62 months     |

### 37 Employee Benefits

#### Defined contribution:

Contributions are made to the Government Provident Fund and Family Pension Fund which cover all regular employees eligible under applicable Acts. Both the eligible employees and the Company make pre-determined contributions to the Provident Fund. The contributions are normally based upon a proportion of the employee's salary. The Company has recognized in the statement of profit and loss an amount of ₹ 34.26 lakhs (31 March 2017: ₹ 32.95 lakhs) and in capital work-in-progress ₹ 0.35 lakhs (31 March 2017: ₹ 1.37 lakhs) towards employer's contribution towards Provident Fund.

#### Defined benefits:

Provision for unfunded gratuity payable to eligible employees on retirement/ separation is based upon an actuarial valuation as at the year ended 31 March 2018. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. The commitments are actuarially determined using the 'Projected Unit Credit Method' as at the year end. Gains/ losses on changes in actuarial assumptions are accounted for in the statement of profit and loss/ capital work-in-progress, as applicable and as identified by the management of the Company.

#### Other benefits:

Provision for unfunded compensated absences payable to eligible employees on retirement/ separation is based upon an actuarial valuation as at the year ended 31 March 2018. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. The commitments are actuarially determined using the 'Projected Unit Credit Method' as at the year end. Gains/ losses on changes in actuarial assumptions are accounted for in the statement of profit and loss/ capital work-in-progress, as applicable and as identified by the Management of the Company.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of gratuity and compensated absences and the amounts recognised in the financial statements for the year ended 31 March 2018:

(Amount in ₹ Lakhs)

| Particulars  | Gratuity (Unfunded) |               | Compensated absences (Unfunded) |               |
|--|---------------------|---------------|---------------------------------|---------------|
|  | 31 March 2018       | 31 March 2017 | 31 March 2018                   | 31 March 2017 |
| <b>Liability recognised in the balance sheet:</b>  |                     |               |                                 |               |
| Present value of obligation as at the beginning of the year  | 437.23              | 338.95        | 249.39                          | 215.96        |
| Current service cost   | 111.44              | 74.05         | 41.89                           | 50.58         |
| Interest cost  | 32.94               | 27.89         | 18.34                           | 17.09         |
| Benefits paid  | (41.39)             | (22.84)       | (22.33)                         | (17.90)       |
| Actuarial (gains)/ losses  | (23.68)             | 19.18         | (33.37)                         | (16.34)       |
| <b>Present value of obligation at the end of the year (as per actuarial valuation)</b>                     | <b>516.54</b>       | <b>437.23</b> | <b>253.92</b>                   | <b>249.39</b> |
| <b>Expenses during the year</b>  |                     |               |                                 |               |
| Current service cost   | 111.44              | 74.05         | 41.89                           | 50.58         |
| Interest cost  | 32.94               | 27.89         | 18.34                           | 17.09         |
| Actuarial (gains)/ losses  | -                   | -             | (33.37)                         | (16.34)       |
| <b>Component of defined benefit cost charged to statement of profit and loss/ Capital work-in-progress</b> | <b>144.38</b>       | <b>101.94</b> | <b>26.86</b>                    | <b>51.33</b>  |
| Re-measurement of post-employment benefit obligations:   |                     |               |                                 |               |
| Actuarial (gains)/ losses  | (23.68)             | 19.18         | -                               | -             |
| <b>Component of defined benefit cost recognised in other comprehensive income/ (loss)</b>                  | <b>(23.68)</b>      | <b>19.18</b>  | <b>-</b>                        | <b>-</b>      |

## Actuarial (gains)/ losses on obligation

(Amount in ₹ Lakhs)

| Particulars  | Gratuity (Unfunded) |               | Compensated absences (Unfunded) |               |
|--|---------------------|---------------|---------------------------------|---------------|
|  | 31 March 2018       | 31 March 2017 | 31 March 2018                   | 31 March 2017 |
| Actuarial (gain)/ loss on arising from change in demographic assumptions | -                   | -             | -                               | -             |
| Actuarial (gain)/ loss on arising from change in financial assumptions   | (4.96)              | 11.26         | (2.45)                          | 7.99          |
| Actuarial (gain)/ loss on arising from change in experience adjustments  | (18.72)             | 7.92          | (30.92)                         | (24.33)       |

The actuarial valuation in respect of commitments and expenses relating to unfunded gratuity and compensated absences are based on the following assumptions which if changed, would affect the commitment's size, funding requirements and expenses:

## Notes Forming Part of the Financial Statements (Contd.)

of RattanIndia Power Limited (formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

### (a) Economic Assumptions

| Particulars                      | 31 March 2018 | 31 March 2017 |
|----------------------------------|---------------|---------------|
| Discount rate                    | 7.71%         | 7.61%         |
| Expected rate of salary increase | 5.00%         | 5.00%         |

### (b) Demographic Assumptions

| Particulars           | 31 March 2018       | 31 March 2017       |
|-----------------------|---------------------|---------------------|
| Retirement Age        | 60 Years            | 60 Years            |
| Mortality Table       | IALM (2006 - 08)    | IALM (2006 - 08)    |
| Ages                  | Withdrawal Rate (%) | Withdrawal Rate (%) |
| - Upto 30 Years       | 3                   | 3                   |
| - From 31 to 44 Years | 2                   | 2                   |
| - Above 44 Years      | 1                   | 1                   |

The employer's best estimate of contributions expected to be paid during the annual period beginning after the balance sheet date, towards gratuity and compensated absences is ₹ 109.47 Lakhs (31 March 2017: ₹ 104.27 lakhs) and ₹ 43.45 lakhs (31 March 2017: ₹ 46.34 lakhs) respectively.

### (c) Sensitivity analysis of defined benefit obligation

(Amount in ₹ Lakhs)

| Particulars  | 31 March 2018 | 31 March 2017 |
|--|---------------|---------------|
| <b>a) Impact of the change in discount rate</b>            |               |               |
| i) Impact due to increase of 0.50% (31 March 2017: 1.00%)  | (34.61)       | (159.44)      |
| ii) Impact due to decrease of 0.50% (31 March 2017: 1.00%) | 31.26         | (97.82)       |
| <b>b) Impact of the change in salary increase</b>          |               |               |
| i) Impact due to increase of 0.50% (31 March 2017: 1.00%)  | 32.55         | (120.69)      |
| ii) Impact due to decrease of 0.50% (31 March 2017: 1.00%) | (35.48)       | (136.68)      |

Sensitivities due to mortality & withdrawals are not material & hence impact of change not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

### (d) Maturity profile of defined benefit obligation

(Amount in ₹ Lakhs)

| Particulars       | 31 March 2018 | 31 March 2017 |
|-------------------|---------------|---------------|
| Less than 1 year  | 113.58        | 77.24         |
| Year 1 to 5       | 90.62         | 38.63         |
| More than 5 years | 566.25        | 440.67        |

## 38 Earnings per equity share (EPS):

| Particulars   | Amount in ₹ Lakhs (except number of shares) |                                     |
|---|---|-------------------------------------|
|   | For the year ended<br>31 March 2018         | For the year ended<br>31 March 2017 |
| Profit/ (loss) for the year   | (41,837.68)                                 | (32,052.07)                         |
| Weighted average number of shares used in computing basic earnings per equity share (number of shares)    | 2,952,933,353                               | 2,952,933,353                       |
| Add: Effect of number of equity shares on account of employees stock option plans of the Company          | -   | -                                   |
| Weighted average number of shares used in computing diluted earnings per equity share (number of shares)* | 2,952,933,353                               | 2,952,933,353                       |
| Face Value per equity share – ( ₹ )   | 10.00                                       | 10.00                               |
| Basic Earnings per equity share – ( ₹ )   | (1.42)                                      | (1.09)                              |
| Diluted Earnings per equity share – ( ₹ )   | (1.42)                                      | (1.09)                              |

\* ESOSs and ESOPs which are anti-dilutive have been ignored from earnings per equity share calculation.

## 39 Disclosures in respect of Related Parties :

As per Ind AS-24 "Related Party Disclosure", the related parties where control exist or where significant influence exists and with whom transactions have taken place are as below:

### Related parties where control exists:

|   |   |
|---|---|
| I. Company having substantial interest                    | RattanIndia Infrastructure Limited<br>(formerly known as Indiabulls Infrastructure and Power Limited)                                       |
| II. Subsidiary companies including step down subsidiaries | Airmid Power Limited  |
|   | Albina Power Trading Limited<br>(formerly known as Indiabulls Power Trading Limited)  |
|   | Albina Power Transmission Limited<br>(formerly known as Indiabulls Power Transmission Limited)  |
|   | Albina Power Utility Limited<br>(formerly known as Indiabulls Power Utility Limited) (Upto 31 December 2016) ***                            |
|   | Albina Powergen Limited<br>(formerly known as Indiabulls Powergen Limited) (Upto 31 December 2016) ***                                      |
|   | Albina Thermal Energy Limited<br>(formerly known as Indiabulls Thermal Energy Limited)  |
|   | Albina Thermal Power Limited<br>(formerly known as Indiabulls Thermal Power Limited)  |
|   | Albina Thermal Power Management Limited<br>(formerly known as Indiabulls Thermal Power Management Limited)                                  |
|   | Albina Water Supply & Waste Management Services Limited<br>(formerly known as Indiabulls Water Supply & Waste Management Services Limited)* |
|   | Albina Thermal Projects Limited<br>(formerly known as Indiabulls Thermal Projects Limited)  |
|   | Amravati Power Transmission Company Limited (Upto 17 January 2018)**  |
|   | Angina Power Limited  |
|   | Aravali Properties Limited  |
|   | Bracond Limited   |

## Notes Forming Part of the Financial Statements (Contd.)

of RattanIndia Power Limited (formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

|  |  |
|--|--|
| <b>II. Subsidiary companies including step down subsidiaries</b> | Citra Thermal Power and Infrastructure Limited   |
|  | Devona Power Systems Limited<br>(formerly known as Indiabulls Power Systems Limited) (Upto 31 December 2016) ***       |
|  | Devona Power Development Limited<br>(formerly known as Indiabulls Power Development Limited)                           |
|  | Devona Power Distribution Limited<br>(formerly known as Indiabulls Power Distribution Limited)                         |
|  | Devona Power Generation Limited<br>(formerly known as Indiabulls Power Generation Company Limited )                    |
|  | Devona Power Infrastructure Limited<br>(formerly known as Indiabulls Power Infrastructure Limited)                     |
|  | Devona Power Limited<br>(formerly known as Indiabulls Power Generation Limited)  |
|  | Devona Power Management Limited<br>(formerly known as Indiabulls Power Management Limited) (Upto 31 December 2016) *** |
|  | Devona Power Projects Limited<br>(formerly known as Indiabulls Power Projects Limited)                                 |
|  | Devona Power Solutions Limited<br>(formerly known as Indiabulls Power Solutions Limited) (Upto 31 December 2016) ***   |
|  | Devona Power Supply Limited<br>(formerly known as Indiabulls Power Supply Limited) (Upto 31 December 2016) ***         |
|  | Devona Thermal Power and Infrastructure Limited  |
|  | Devona Thermal Power Projects Limited<br>(formerly known as Indiabulls Thermal Power Projects Limited)                 |
|  | Diana Energy Limited   |
|  | Diana Power Limited  |
|  | Elena Power And Infrastructure Limited   |
|  | Genoformus Limited*  |
|  | Hecate Electric Limited  |
|  | Hecate Energy Private Limited  |
|  | Hecate Energy Trading Limited  |
|  | Hecate Hydro Electric Power Limited (Upto 31 December 2016) ***  |
|  | Hecate Power and Energy Resources Limited  |
|  | Hecate Power Company Limited (Upto 31 December 2016) ***   |
|  | Hecate Power Development Limited   |
|  | Hecate Power Distributors Limited<br>(Upto 01 April 2017)**  |
|  | Hecate Power Generation Limited (Upto 01 April 2017)**   |
|  | Hecate Power Limited (Upto 01 April 2017)**  |
|  | Hecate Power Management Limited (Upto 01 April 2017)**   |
|  | Hecate Power Projects Limited  |
|  | Hecate Power Services Limited (Upto 01 April 2017)**   |
|  | Hecate Power Supply Limited (Upto 01 April 2017)**   |
|  | Hecate Power Systems Limited   |
|  | Hecate Power Transmission Limited  |
|  | Hecate Power Utility Limited   |

|  |  |
|--|--|
| <b>II. Subsidiary companies including step down subsidiaries</b> | Hecate Powergen Limited (Upto 01 April 2017)**   |
|  | Hecate Thermal Power And Infrastructure Limited (Upto 01 April 2017)**                                 |
|  | Kaya Hydropower Projects Limited   |
|  | Lucina Power And Infrastructure Limited  |
|  | Mabon Power Limited (Upto 31 December 2016) ***  |
|  | Poana Power Systems Limited  |
|  | Poena Hydro Power Projects Limited   |
|  | Poena Power Company Limited (Upto 31 December 2016) ***  |
|  | Poena Power Development Limited  |
|  | Poena Power Distributors Limited   |
|  | Poena Power Generation Limited   |
|  | Poena Power Limited  |
|  | Poena Power Management Limited   |
|  | Poena Power Services Limited   |
|  | Poena Power Solutions Limited  |
|  | Poena Power Trading Limited  |
|  | Poena Power Utility Limited  |
|  | Poena Thermal Power Limited  |
|  | RattanIndia Nasik Power Limited<br>(formerly known as Indiabulls Realtech Limited)                     |
|  | Renemark Limited*  |
|  | Selene Power Company Limited   |
|  | Sentia Electric Limited<br>(formerly known as Indiabulls Electric Company Limited)                     |
|  | Sentia Electricity Generation Limited<br>(formerly known as Indiabulls Electricity Generation Limited) |
|  | Sentia Electricity Limited<br>(formerly known as Indiabulls Electricity Company Limited)               |
|  | Sentia Hydro Electric Power Limited<br>(formerly known as Indiabulls Hydro Electric Power Limited)     |
|  | Sentia Hydro Energy Limited<br>(formerly known as Indiabulls Hydro Energy Limited)                     |
|  | Sentia Hydro Power Limited<br>(formerly known as Indiabulls Hydro Power Limited)                       |
|  | Sentia Hydro Power Projects Limited<br>(formerly known as Indiabulls Hydro Power Projects Limited)     |
|  | Sentia Power Limited<br>(formerly known as Indiabulls CSEB Bhayathan Power Limited)                    |
|  | Sentia Thermal Power and Infrastructure Limited  |
|  | Sepla Hydropower Projects Limited  |
|  | Sepset Thermal Power and Infrastructure Limited  |
|  | Sinnar Power Transmission Company Limited*   |
|  | Tharang Warang Hydropower Projects Limited   |
|  | Triton Energy Limited  |

\* These companies are step down subsidiaries of the Company.

## Notes Forming Part of the Financial Statements (Contd.)

of RattanIndia Power Limited (formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

\*\* Sale of 9 wholly owned subsidiaries were effected during the year to a Company over which Key Management Personnel have significant influence.

\*\*\* Sale of 10 wholly owned subsidiaries were effected during the previous year to a Company over which Key Management Personnel have significant influence.

### Other related parties:

#### III. Enterprise over which Key Management Personnel have significant influence –

(with whom transactions have been entered during the year/ previous year):

IIC Limited

Sepset Constructions Limited

Citra Real Estate Limited

RattanIndia Solar Private Limited (Formerly known as RattanIndia Solar Limited)

Ashkit Power Limited (w.e.f. 5 August 2015)

Notus Infrastructure Limited

RR Infralands Private Limited

RattanIndia Finance Private Limited (Formerly known as Vikhyat Finlease And Trading Private Limited)

Tupelo Builders Private Limited

Priapus Infrastructure Limited

Priapus Real Estate Private Limited #

Priapus Properties Private Limited#

Priapus Developers Private Limited#

#### IV. Key Management Personnel

| Name                    | Designation                                 |
|-------------------------|---|
| Rajiv Rattan            | Chairman and Director of the Company        |
| Jayant Shriniwas Kawale | Managing Director of the Company            |
| Himanshu Mathur         | Whole Time Director of the Company          |
| Venugopal Keshanakurthy | CFO of the Company (upto 20 January 2017)   |
| Samir Taneja            | CFO of the Company (w.e.f. 8 February 2017) |

#### V. Interest in Trust -

IPL-PPSL Scheme Trust

# During the previous year, Priapus Properties Private Limited ('PPPL') and Priapus Real Estate Private Limited ('PREPL') were merged with Priapus Developers Private Limited ('PDPL').



## VI. Summary of transactions with related parties

| Nature of Transactions   | Year ended    | Company having Substantial Interest | Subsidiaries | Enterprises over which Key Management Personnel have significant influence | Interest in trust | Key Management Personnel | Total      | (Amount in ₹ Lakhs) |
|--|---------------|-------------------------------------|--------------|--|-------------------|--------------------------|------------|---------------------|
|  |               |                                     |              |  |                   |                          |            |                     |
| Finance  |               |                                     |              |  |                   |                          |            |                     |
| Investment in equity shares  | 31 March 2018 | -                                   | 36,355.58    | -  | -                 | -                        | 36,355.58  |                     |
|  | 31 March 2017 | -                                   | 15,929.50    | -  | -                 | -                        | 15,929.50  |                     |
| Share application money  | 31 March 2018 | -                                   | 499.00       | -  | -                 | -                        | 499.00     |                     |
|  | 31 March 2017 | -                                   | 31,716.48    | -  | -                 | -                        | 31,716.48  |                     |
| Sale of investment in equity shares of subsidiary company                                      | 31 March 2018 | -                                   | -            | 9,922.00   | -                 | -                        | 9,922.00   |                     |
|  | 31 March 2017 | -                                   | -            | 50.00  | -                 | -                        | 50.00      |                     |
| Proceed from part settlement of corpus in IPL-PPSL Scheme trust                                | 31 March 2018 | -                                   | -            | -  | 7,789.54          | -                        | 7,789.54   |                     |
|  | 31 March 2017 | -                                   | -            | -  | -                 | -                        | -          |                     |
| Loan/ Inter Corporate Deposit taken  | 31 March 2018 | -                                   | 3,288.00     | 35,140.43  | -                 | -                        | 38,428.43  |                     |
|  | 31 March 2017 | -                                   | 3,741.20     | 104,272.89   | -                 | -                        | 108,014.09 |                     |
| Loan/ Inter Corporate Deposit repaid   | 31 March 2018 | -                                   | 6,265.00     | 42,041.43  | -                 | -                        | 48,306.43  |                     |
|  | 31 March 2017 | -                                   | 17,140.24    | 42,721.43  | -                 | -                        | 59,861.67  |                     |
| Loan/ Inter Corporate Deposit given*   | 31 March 2018 | -                                   | 379.24       | -  | -                 | -                        | 379.24     |                     |
|  | 31 March 2017 | -                                   | 27,336.05    | -  | -                 | -                        | 27,336.05  |                     |
| Loan/ Inter Corporate Deposit received back/ adjustment*                                       | 31 March 2018 | -                                   | 20,933.64    | -  | -                 | -                        | 20,933.64  |                     |
|  | 31 March 2017 | -                                   | 1,115.00     | -  | -                 | -                        | 1,115.00   |                     |
| Expenses   |               |                                     |              |  |                   |                          |            |                     |
| Interest on Loan/ Inter Corporate Deposit taken  | 31 March 2018 | -                                   | -            | 2,874.39   | -                 | -                        | 2,874.39   |                     |
|  | 31 March 2017 | -                                   | 4,570.82     | 3,717.87   | -                 | -                        | 8,288.69   |                     |
| Liability written back   | 31 March 2018 | -                                   | 4,113.74     | -  | -                 | -                        | 4,113.74   |                     |
|  | 31 March 2017 | -                                   | -            | -  | -                 | -                        | -          |                     |
| Reimbursement received/ (made) for bank guarantee financing charges including general expenses | 31 March 2018 | 1.61                                | 256.28       | 8.44   | -                 | -                        | 266.33     |                     |
|  | 31 March 2017 | 30.08                               | 80.45        | 9.16   | -                 | -                        | 119.69     |                     |
| Reimbursement of general expense towards employment services                                   | 31 March 2018 | -                                   | -            | -  | -                 | -                        | -          |                     |
|  | 31 March 2017 | -                                   | -            | -  | -                 | 0.62                     | 0.62       |                     |

# Notes Forming Part of the Financial Statements (Contd.)

of RattanIndia Power Limited (formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

## VI. Summary of transactions with related parties: continued

| (Amount in ₹ Lakhs)                        |                                |                                     |                                |  |                   |                          |                       |
|--|--------------------------------|-------------------------------------|--------------------------------|--|-------------------|--------------------------|-----------------------|
| Nature of Transactions                     | Year ended                     | Company having Substantial Interest | Subsidiaries                   | Enterprises over which Key Management Personnel have significant influence | Interest in trust | Key Management Personnel | Total                 |
| Short-term employee benefits               | 31 March 2018<br>31 March 2017 | -<br>-                              | -<br>-                         | -<br>-   | -<br>-            | 433.12<br>522.64         | 433.12<br>522.64      |
| Post employment benefits                   | 31 March 2018<br>31 March 2017 | -<br>-                              | -<br>-                         | -<br>-   | -<br>-            | 20.58<br>6.61            | 20.58<br>6.61         |
| <b>Income</b>                              |                                |                                     |                                |  |                   |                          |                       |
| Sale of goods                              | 31 March 2018<br>31 March 2017 | -<br>-                              | -<br>532.65                    | 0.30<br>-  | -<br>-            | -<br>-                   | 0.30<br>532.65        |
| Interest on ICD given                      | 31 March 2018<br>31 March 2017 | -<br>-                              | 2,001.08<br>1,917.03           | -<br>-   | -<br>-            | -<br>-                   | 2,001.08<br>1,917.03  |
| <b>Others</b>                              |                                |                                     |                                |  |                   |                          |                       |
| Capital Work-in-Progress (Excluding taxes) | 31 March 2018<br>31 March 2017 | -<br>-                              | 13,872.33<br>2,239.75          | 8,793.93<br>913.56   | -<br>-            | -<br>-                   | 22,666.26<br>3,153.31 |
| Bank guarantees                            | 31 March 2018<br>31 March 2017 | -<br>-                              | Refer note 33(B)(iii)<br>(1-4) | -<br>-   | -<br>-            | -<br>-                   | -<br>-                |
| Pledge of shares                           | 31 March 2018<br>31 March 2017 | Refer note 6A(i), 6A(ii) and 18(i)  |                                |  | -<br>-            | -<br>-                   | -<br>-                |

\* Includes increase/ (decrease) on account of gain/ (loss) on foreign exchange fluctuation recorded on ICD given.

## VII. Summary of outstanding balances

| Nature of Transactions  | Year ended    | Company having Substantial Interest | Subsidiaries               | Enterprises over which Key Management Personnel have significant influence | Key Management Personnel | Total      |
|---|---------------|-------------------------------------|----------------------------|--|--------------------------|------------|
|   |               |                                     |                            |  |                          |            |
| Loan/ Inter Corporate Deposit taken   | 31 March 2018 | -                                   | 35,493.96                  | 66,623.43  | -                        | 102,117.39 |
|   | 31 March 2017 | -                                   | 38,470.96                  | 73,524.43  | -                        | 111,995.39 |
| Loan/ Inter Corporate Deposit given   | 31 March 2018 | -                                   | 36,357.03                  | -  | -                        | 36,357.03  |
|   | 31 March 2017 | -                                   | 56,911.43                  | -  | -                        | 56,911.43  |
| General and personnel cost receivable/ (payable)                                | 31 March 2018 | -                                   | (446.84)                   | -  | -                        | (446.84)   |
|   | 31 March 2017 | -                                   | (326.37)                   | -  | -                        | (326.37)   |
| Reimbursement of general expense towards employment services payable            | 31 March 2018 | -                                   | -                          | -  | -                        | -          |
|   | 31 March 2017 | -                                   | -                          | -  | 0.62                     | 0.62       |
| Share application money pending allotment                                       | 31 March 2018 | -                                   | -                          | -  | -                        | -          |
|   | 31 March 2017 | -                                   | 16,090.00                  | -  | -                        | 16,090.00  |
| Capital advances  | 31 March 2018 | -                                   | 4,448.37                   | 24,616.13  | -                        | 29,064.50  |
|   | 31 March 2017 | -                                   | 17,178.69                  | 33,184.85  | -                        | 50,363.54  |
| Receivable for sale of goods  | 31 March 2018 | -                                   | 532.65                     | -  | -                        | 532.65     |
|   | 31 March 2017 | -                                   | 532.65                     | -  | -                        | 532.65     |
| Trade Payable   | 31 March 2018 | -                                   | -                          | 832.78   | -                        | 832.78     |
|   | 31 March 2017 | -                                   | -                          | -  | -                        | -          |
| Retention money payable/ Payables on purchase of Property, Plant and Equipments | 31 March 2018 | -                                   | 9,649.17                   | 2,344.78   | -                        | 11,993.95  |
|   | 31 March 2017 | -                                   | 9,074.10                   | 2,952.35   | -                        | 12,026.45  |
| Bank guarantees   | 31 March 2018 | -                                   | Refer note 33(B)(II) (1-4) | -  | -                        | -          |
|   | 31 March 2017 | -                                   | -                          | -  | -                        | -          |
| Pledge of shares  | 31 March 2018 | Refer note 6A(i), 6A(ii) and 18(i)  |                            |  |                          |            |
|   | 31 March 2017 |                                     |                            |  |                          |            |

# Notes Forming Part of the Financial Statements (Contd.)

of RattanIndia Power Limited (formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

## VIII. Detail of outstanding balance

|  |               | (Amount in ₹ Lakhs)  |   |                              |               |                                     |                                     |   |                  |   |
|--|---------------|--|---|------------------------------|---------------|-------------------------------------|-------------------------------------|---|------------------|---|
| Name of Related Party  | Year ended    | Reimbursement of general expense towards employment services payable | General and personnel costs receivable/ (payable) | Receivable for sale of goods | Trade Payable | Loan/ Inter corporate deposit taken | Loan/ Inter corporate deposit given | Share application money pending allotment | Capital advances | Retention money payable/ payables on purchase of fixed assets |
| Subsidiaries   |               |  |   |                              |               |                                     |                                     |   |                  |   |
| Elena Power And Infrastructure Limited   | 31 March 2018 | -  | -   | -                            | -             | 35,493.96                           | -                                   | -   | 4,448.37         | 9,649.17  |
|  | 31 March 2017 | -  | -   | -                            | -             | 38,470.96                           | -                                   | -   | 17,178.69        | 9,074.10  |
| Bracond Limited  | 31 March 2018 | -  | -   | -                            | -             | -                                   | 11,560.76                           | -   | -                | -   |
|  | 31 March 2017 | -  | -   | -                            | -             | -                                   | 11,324.07                           | -   | -                | -   |
| RattanIndia Nasik Power Limited (formerly known as Indiabulls Realtech Limited)                      | 31 March 2018 | -  | (446.84)  | 532.65                       | -             | -                                   | 4,865.37                            | -   | -                | -   |
|  | 31 March 2017 | -  | (326.37)  | 532.65                       | -             | -                                   | 24,952.37                           | 16,090.00                                 | -                | -   |
| Amravati Power Transmission Company Limited  | 31 March 2018 | -  | -   | -                            | -             | -                                   | -                                   | -   | -                | -   |
|  | 31 March 2017 | -  | -   | -                            | -             | -                                   | 2,503.66                            | -   | -                | -   |
| Poena Power Development Limited  | 31 March 2018 | -  | -   | -                            | -             | -                                   | 19,509.89                           | -   | -                | -   |
|  | 31 March 2017 | -  | -   | -                            | -             | -                                   | 17,749.36                           | -   | -                | -   |
| Enterprise over which Key Management Personnel have significant influence                            |               |  |   |                              |               |                                     |                                     |   |                  |   |
| IIC Limited  | 31 March 2018 | -  | -   | -                            | 832.78        | -                                   | -                                   | -   | 24,616.13        | 2,344.78  |
|  | 31 March 2017 | -  | -   | -                            | -             | -                                   | -                                   | -   | 33,184.85        | 2,952.35  |
| Priapus Developers Private Limited   | 31 March 2018 | -  | -   | -                            | -             | 35,439.00                           | -                                   | -   | -                | -   |
|  | 31 March 2017 | -  | -   | -                            | -             | 37,383.00                           | -                                   | -   | -                | -   |
| RR Infralands Pvt. Ltd.  | 31 March 2018 | -  | -   | -                            | -             | 28,391.43                           | -                                   | -   | -                | -   |
|  | 31 March 2017 | -  | -   | -                            | -             | -                                   | -                                   | -   | -                | -   |
| RattanIndia Finance Private Limited (formerly known as Vikhyat Finlease and Trading Private Limited) | 31 March 2018 | -  | -   | -                            | -             | -                                   | -                                   | -   | -                | -   |
|  | 31 March 2017 | -  | -   | -                            | -             | 27,956.43                           | -                                   | -   | -                | -   |
| Tupelo Builders Private Limited  | 31 March 2018 | -  | -   | -                            | -             | 2,793.00                            | -                                   | -   | -                | -   |
|  | 31 March 2017 | -  | -   | -                            | -             | 8,185.00                            | -                                   | -   | -                | -   |
| Key Management Personnel   |               |  |   |                              |               |                                     |                                     |   |                  |   |
| Jayant Shrinivas Kawale  | 31 March 2018 | -  | -   | -                            | -             | -                                   | -                                   | -   | -                | -   |
|  | 31 March 2017 | 0.62   | -   | -                            | -             | -                                   | -                                   | -   | -                | -   |

## IX. Statement of material transactions

| Name of related party  | Year ended    | Investment in equity shares | Share application money | Sale of goods | Reimbursement received of BG Financing charges including General expenses | (Amount in ₹ Lakhs)                  |   |
|--|---------------|-----------------------------|-------------------------|---------------|---|--------------------------------------|---|
|  |               |                             |                         |               |   | Loan/ Inter Corporate Deposit given* | Loan/ Inter Corporate Deposit received back/ adjustment** |
| Company having Substantial Interest  |               |                             |                         |               |   |                                      |   |
| RattanIndia Infrastructure Limited (formerly known as Indiabulls Infrastructure and Power Limited) | 31 March 2018 | -                           | -                       | -             | 1.61  | -                                    | -   |
|  | 31 March 2017 | -                           | -                       | -             | 30.08   | -                                    | -   |
| Subsidiaries   |               |                             |                         |               |   |                                      |   |
| Airmid Power Limited   | 31 March 2018 | -                           | -                       | -             | 0.04  | 0.25                                 | -   |
|  | 31 March 2017 | -                           | -                       | -             | -   | 0.61                                 | -   |
| Amravati Power Transmission Company Limited  | 31 March 2018 | -                           | -                       | -             | 59.93   | -                                    | 3,151.87  |
|  | 31 March 2017 | -                           | -                       | -             | -   | 300.27                               | -   |
| Angina Power Limited   | 31 March 2018 | -                           | -                       | -             | 0.03  | 0.25                                 | -   |
|  | 31 March 2017 | -                           | -                       | -             | -   | 5.07                                 | -   |
| Aravali Properties Limited   | 31 March 2018 | -                           | -                       | -             | 0.04  | 0.20                                 | -   |
|  | 31 March 2017 | -                           | -                       | -             | -   | 0.59                                 | -   |
| Bracond Limited  | 31 March 2018 | -                           | -                       | -             | -   | 236.69                               | -   |
|  | 31 March 2017 | -                           | -                       | -             | -   | -                                    | 131.87  |
| Devona Thermal Power and Infrastructure Limited  | 31 March 2018 | -                           | -                       | -             | 0.05  | 0.20                                 | -   |
|  | 31 March 2017 | -                           | -                       | -             | -   | -                                    | -   |
| Hecate Power Projects Limited  | 31 March 2018 | -                           | -                       | -             | 0.03  | 0.20                                 | -   |
|  | 31 March 2017 | -                           | -                       | -             | -   | 0.12                                 | -   |
| Hecate Power Systems Limited   | 31 March 2018 | -                           | -                       | -             | 0.03  | 0.20                                 | -   |
|  | 31 March 2017 | -                           | -                       | -             | -   | 0.84                                 | -   |
| Hecate Power Transmission Limited  | 31 March 2018 | -                           | -                       | -             | 0.03  | -                                    | -   |
|  | 31 March 2017 | -                           | -                       | -             | -   | 0.22                                 | -   |
| Sentia Power Limited (formerly known as Indiabulls CSEB Bhaiyathan Power Limited)                  | 31 March 2018 | -                           | -                       | -             | -   | -                                    | -   |
|  | 31 March 2017 | -                           | -                       | -             | -   | 1.87                                 | -   |
| Sentia Electricity Limited (formerly known as Indiabulls Electricity Company Limited)              | 31 March 2018 | -                           | -                       | -             | 0.04  | 0.05                                 | -   |
|  | 31 March 2017 | -                           | -                       | -             | -   | 0.12                                 | -   |
| Sentia Hydro Electric Power Limited (formerly known as Indiabulls Hydro Electric Power Limited)    | 31 March 2018 | -                           | -                       | -             | 0.05  | 0.05                                 | -   |
|  | 31 March 2017 | -                           | -                       | -             | -   | 0.11                                 | -   |
| Sentia Hydro Energy Limited (formerly known as Indiabulls Hydro Energy Limited)                    | 31 March 2018 | -                           | -                       | -             | 0.05  | 0.05                                 | -   |
|  | 31 March 2017 | -                           | -                       | -             | -   | 0.12                                 | -   |
| Sentia Electric Limited  | 31 March 2018 | -                           | -                       | -             | 0.04  | 0.20                                 | -   |
|  | 31 March 2017 | -                           | -                       | -             | -   | -                                    | -   |
| Sentia Thermal Power And Infrastructure Limited  | 31 March 2018 | -                           | -                       | -             | 0.03  | 0.20                                 | -   |
|  | 31 March 2017 | -                           | -                       | -             | -   | 0.50                                 | -   |

# Notes Forming Part of the Financial Statements (Contd.)

of RattanIndia Power Limited (formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

## IX. Statement of material transactions - continued

| Name of related party   | Year ended                     | Investment in equity shares | Share application money | Sale of goods | Reimbursement received of BG Financing charges including General expenses | (Amount in ₹ Lakhs)                  |  |
|---|--------------------------------|-----------------------------|-------------------------|---------------|---|--------------------------------------|--|
|   |                                |                             |                         |               |   | Loan/ Inter Corporate Deposit given* | Loan/ Inter Corporate Deposit received back/ adjustment* |
| Devona Power Infrastructure Limited (formerly known as Indiabulls Power Infrastructure Limited) | 31 March 2018<br>31 March 2017 | -<br>-                      | -<br>-                  | -<br>-        | 0.04<br>-   | -<br>0.22                            | -<br>-   |
| RattanIndia Nasik Power Limited (formerly known as Indiabulls Realtech Limited)                 | 31 March 2018<br>31 March 2017 | 36,355.58<br>15,928.20      | 499.00<br>31,716.48     | -<br>532.65   | 190.73<br>74.76   | 60.00<br>25,540.00                   | 20,147.00<br>1,115.00                                    |
| Kaya Hydropower Projects Limited  | 31 March 2018<br>31 March 2017 | -<br>-                      | -<br>-                  | -<br>-        | 0.03<br>-   | 0.05<br>7.21                         | -<br>-   |
| Lucina Power and Infrastructure Limited   | 31 March 2018<br>31 March 2017 | -<br>-                      | -<br>-                  | -<br>-        | 0.03<br>-   | -<br>0.07                            | -<br>-   |
| Poana Power Systems Limited   | 31 March 2018<br>31 March 2017 | -<br>-                      | -<br>-                  | -<br>-        | 0.03<br>-   | -<br>0.42                            | -<br>-   |
| Poena Power Development Limited   | 31 March 2018<br>31 March 2017 | -<br>-                      | -<br>-                  | -<br>-        | 0.29<br>0.41  | 79.60<br>1,589.90                    | -<br>-   |
| Poena Power Management Limited  | 31 March 2018<br>31 March 2017 | -<br>-                      | -<br>-                  | -<br>-        | 0.03<br>-   | 0.05<br>0.01                         | -<br>-   |
| Poena Power Limited   | 31 March 2018<br>31 March 2017 | -<br>1.30                   | -<br>-                  | -<br>-        | 0.03<br>-   | 0.05<br>0.39                         | -<br>-   |
| Sinnar Power Transmission Company Limited   | 31 March 2018<br>31 March 2017 | -<br>-                      | -<br>-                  | -<br>-        | 0.61<br>1.37  | -<br>-                               | -<br>-   |
| Selene Power Company Limited  | 31 March 2018<br>31 March 2017 | -<br>-                      | -<br>-                  | -<br>-        | 0.03<br>-   | -<br>0.62                            | -<br>-   |
| Sepla Hydropower Projects Limited   | 31 March 2018<br>31 March 2017 | -<br>-                      | -<br>-                  | -<br>-        | 0.03<br>-   | 0.25<br>8.48                         | -<br>-   |
| Sepset Thermal Power And Infrastructure Limited   | 31 March 2018<br>31 March 2017 | -<br>-                      | -<br>-                  | -<br>-        | 0.03<br>-   | 0.20<br>0.50                         | -<br>-   |
| Tharang Warang Hydropower Projects Limited  | 31 March 2018<br>31 March 2017 | -<br>-                      | -<br>-                  | -<br>-        | 0.04<br>-   | 0.20<br>7.64                         | -<br>-   |
| Citra Thermal Power & infrastructure Limited  | 31 March 2018<br>31 March 2017 | -<br>-                      | -<br>-                  | -<br>-        | 0.05<br>-   | 0.05<br>-                            | -<br>-   |
| Triton Energy Limited   | 31 March 2018<br>31 March 2017 | -<br>-                      | -<br>-                  | -<br>-        | 0.03<br>-   | 0.25<br>0.52                         | -<br>-   |
| <b>Enterprises over which Key Management Personnel have significant influence</b>               |                                |                             |                         |               |   |                                      |  |
| Sepset Constructions Limited  | 31 March 2018<br>31 March 2017 | -<br>-                      | -<br>-                  | 0.30<br>-     | 0.66<br>4.25  | -<br>-                               | -<br>-   |

\* Includes increase/ (decrease) on account of gain/ (loss) on foreign exchange fluctuation recorded on ICD given.

# Notes Forming Part of the Financial Statements (Contd.)

of RattanIndia Power Limited (formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

## IX A. Statement of material transactions

| Name of related party  | Year ended    | Capital Work-in-Progress (Excluding taxes) | Sale of investment in equity shares of subsidiary company | Reimbursement received of BG Financing charges including General expenses | Loan/ Inter Corporate Deposit taken | Loan/ Inter Corporate Deposit repaid | Interest Expense | Liabilities written back | (Amount in ₹ Lakhs) |
|--|---------------|--|---|---|-------------------------------------|--------------------------------------|------------------|--------------------------|---------------------|
|  |               |  |   |   |                                     |                                      |                  |                          |                     |
| Subsidiaries   |               |  |   |   |                                     |                                      |                  |                          |                     |
| Elena Power And Infrastructure Limited   | 31 March 2018 | 13,872.33                                  | -   | 1.19  | 3,288.00                            | 6,265.00                             | -                | 4,113.74                 |                     |
|  | 31 March 2017 | 2,239.75                                   | -   | 1.51  | 3,741.20                            | 17,140.24                            | 4,570.82         | -                        |                     |
| Enterprises over which Key Management Personnel have significant influence                           |               |  |   |   |                                     |                                      |                  |                          |                     |
| IIC Limited  | 31 March 2018 | 8,793.93                                   | -   | 2.43  | -                                   | -                                    | -                | -                        |                     |
|  | 31 March 2017 | 913.56                                     | -   | 2.27  | -                                   | -                                    | -                | -                        |                     |
| Rattanindia Solar Private Limited (formerly known as RattanIndia Solar Limited)                      | 31 March 2018 | -  | 9,922.00  | 0.19  | -                                   | -                                    | -                | -                        |                     |
|  | 31 March 2017 | -  | 50.00   | 2.31  | -                                   | -                                    | -                | -                        |                     |
| Priapus Real Estate Private Limited  | 31 March 2018 | -  | -   | -   | -                                   | -                                    | -                | -                        |                     |
|  | 31 March 2017 | -  | -   | -   | -                                   | 6,000.00                             | 337.64           | -                        |                     |
| Priapus Properties Private Limited   | 31 March 2018 | -  | -   | -   | -                                   | -                                    | -                | -                        |                     |
|  | 31 March 2017 | -  | -   | -   | 39,505.89                           | 10,358.86                            | 2,573.54         | -                        |                     |
| Priapus Developers Private Limited   | 31 March 2018 | -  | -   | -   | 1,729.00                            | 3,673.00                             | 1,119.10         | -                        |                     |
|  | 31 March 2017 | -  | -   | -   | 4,984.00                            | 2,721.00                             | -                | -                        |                     |
| RR Infralands Pvt. Ltd.  | 31 March 2018 | -  | -   | -   | 28,391.43                           | -                                    | -                | -                        |                     |
|  | 31 March 2017 | -  | -   | -   | 23,598.00                           | 23,598.00                            | 137.52           | -                        |                     |
| RattanIndia Finance Private Limited (formerly known as Vikhyat Finlease and Trading Private Limited) | 31 March 2018 | -  | -   | 4.68  | -                                   | 27,956.43                            | 1,400.00         | -                        |                     |
|  | 31 March 2017 | -  | -   | -   | 28,000.00                           | 43.57                                | 657.53           | -                        |                     |
| Tupelo Builders Private Limited  | 31 March 2018 | -  | -   | 0.03  | 5,020.00                            | 10,412.00                            | 355.29           | -                        |                     |
|  | 31 March 2017 | -  | -   | -   | 8,185.00                            | -                                    | 11.64            | -                        |                     |
| Priapus Infrastructure Limited   | 31 March 2018 | -  | -   | 0.45  | -                                   | -                                    | -                | -                        |                     |
|  | 31 March 2017 | -  | -   | 0.33  | -                                   | -                                    | -                | -                        |                     |

# Notes Forming Part of the Financial Statements (Contd.)

of RattanIndia Power Limited (formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

## IX B. Statement of material transactions

In respect of Capital Work-in-Progress, Capital Advances, Vendor Advance Transferred, Reimbursement of general expense towards employment services, Short term advances Given/ (Received back) and Remuneration.

(Amount in ₹ Lakhs)

| Name of Related Party           | Year ended    | Proceed from part settlement of corpus in IPL-PPSL Scheme trust | Reimbursement of general expense towards employment services | Short-term employee benefits | Post employment benefits |
|---------------------------------|---------------|---|--|------------------------------|--------------------------|
| <b>Interest in Trust</b>        |               |   |  |                              |                          |
| IPL-PPSL Scheme Trust           | 31 March 2018 | 7,789.54  | -  | -                            | -                        |
|                                 | 31 March 2017 | -   | -  | -                            | -                        |
| <b>Key Management Personnel</b> |               |   |  |                              |                          |
| Jayant Shriniwas Kawale         | 31 March 2018 | -   | -  | 249.82                       | 9.40                     |
|                                 | 31 March 2017 | -   | 0.62   | 236.96                       | (6.56)                   |
| Venugopal Keshanakurthy         | 31 March 2018 | -   | -  | -                            | -                        |
|                                 | 31 March 2017 | -   | -  | 173.59                       | -                        |
| Himanshu Mathur                 | 31 March 2018 | -   | -  | 103.00                       | 9.61                     |
|                                 | 31 March 2017 | -   | -  | 98.69                        | 3.24                     |
| Samir Taneja                    | 31 March 2018 | -   | -  | 80.30                        | 1.57                     |
|                                 | 31 March 2017 | -   | -  | 13.40                        | 9.93                     |

Besides the above transactions, the Company also provides certain common facilities to its subsidiary companies, free of cost, such as office premises, computers and software platform and other administrative facilities.

## 40 Financial instruments

### i) Fair values hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1:** Quoted prices (unadjusted) in active markets for financial instruments.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

### ii) Financial assets and liabilities measured at fair value - recurring fair value measurements

(Amount in ₹ Lakhs)

|                                    | Level   | 31 March 2018 | 31 March 2017   |
|------------------------------------|---------|---------------|-----------------|
| <b>Financial assets</b>            |         |               |                 |
| <b>Investments at FVTPL</b>        |         |               |                 |
| Investments in Mutual Funds        | Level 2 | 500.75        | 7,000.00        |
| <b>Total financial liabilities</b> |         | <b>500.75</b> | <b>7,000.00</b> |



## (iii) Fair value of financial assets and liabilities measured at amortised cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values (Refer note 41(i)).

## (iv) Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- (a) Mutual funds: Use of NAV's obtained from the asset manager.

## 41 Financial risk management

### i) Financial instruments by category

(Amount in ₹ Lakhs)

| Particulars                  | 31 March 2018 |          |                   | 31 March 2017   |          |                   |
|------------------------------|---------------|----------|-------------------|-----------------|----------|-------------------|
|                              | FVTPL         | FVOCI    | Amortised cost    | FVTPL           | FVOCI    | Amortised cost    |
| <b>Financial assets</b>      |               |          |                   |                 |          |                   |
| Investments in:              |               |          |                   |                 |          |                   |
| Preference shares            | -             | -        | 2,100.00          | -               | -        | 1,917.80          |
| Mutual Funds                 | 500.75        | -        | -                 | 7,000.00        | -        | -                 |
| Loans:                       |               |          |                   |                 |          |                   |
| Security deposits            | -             | -        | 994.77            | -               | -        | 1,000.06          |
| Loans                        | -             | -        | 6.62              | -               | -        | 8.51              |
| Inter corporate deposits     | -             | -        | 36,357.03         | -               | -        | 56,911.43         |
| Trade receivables            | -             | -        | 132,854.90        | -               | -        | 78,873.65         |
| Cash and cash equivalents    | -             | -        | 12,795.16         | -               | -        | 6,612.48          |
| Other bank balances          | -             | -        | 2,995.71          | -               | -        | 1,538.18          |
| Other financial asset        | -             | -        | 25,673.61         | -               | -        | 35,469.72         |
| <b>Total</b>                 | <b>500.75</b> | <b>-</b> | <b>213,777.80</b> | <b>7,000.00</b> | <b>-</b> | <b>182,331.83</b> |
| <b>Financial liabilities</b> |               |          |                   |                 |          |                   |
| Borrowings                   | -             | -        | 776,100.37        | -               | -        | 802,999.79        |
| Trade payable                | -             | -        | 4,501.14          | -               | -        | 1,151.20          |
| Other financial liabilities  | -             | -        | 132,701.24        | -               | -        | 67,844.55         |
| <b>Total</b>                 | <b>-</b>      | <b>-</b> | <b>913,302.75</b> | <b>-</b>        | <b>-</b> | <b>871,995.54</b> |

Investment in subsidiaries are measured at cost as per Ind AS 27, 'Separate financial statements' and hence, not presented here.

### ii) Risk Management

The Company is exposed to various risks in relation to financial instruments. The Company's financial assets and liabilities by category are summarised in note 41(i). The main types of risks are market risk, credit risk and liquidity risk. The most significant financial risks to which the Company is exposed are described below:

The Company's risk management is carried out by a central finance department (of the Company) under direction of the Board of Directors. The Board of Directors provides principles for overall risk management, and covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

## Notes Forming Part of the Financial Statements (Contd.)

of RattanIndia Power Limited (formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

### A) Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. Credit risk arises from cash and cash equivalents, trade receivables, investments carried at amortised cost and deposits with banks and financial institutions. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at 31 March, as summarised below:

| (Amount in ₹ Lakhs)             |               |               |
|---------------------------------|---------------|---------------|
| Particulars                     | 31 March 2018 | 31 March 2017 |
| Preference shares (i)           | 2,100.00      | 1,917.80      |
| Loans (i)                       | 37,358.42     | 57,920.00     |
| Trade receivables (ii)          | 132,854.90    | 78,873.65     |
| Cash and cash equivalents (iii) | 12,795.16     | 6,612.48      |
| Other bank balances (iii)       | 2,995.71      | 1,538.18      |
| Other financial assets (i)      | 25,673.61     | 35,469.72     |

The Company continuously monitors defaults of customers and other counterparties, and incorporates this information into its credit risk controls. The Company's policy is to deal only with creditworthy counterparties.

The Company's management considers that all of the above financial assets are not impaired and/ or past due for each of the above assets reporting dates under review are of good credit quality.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due. A default on a financial asset is when the counterparty fails to make contractual payments when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

- (i) The Company's management considers assets other than trade receivables, which are 30 days past due and analyses facts and circumstances surrounding each such defaults separately. If the facts indicate a probability of loss of value, the asset's then expected cash flows are plotted in an present value based impairment model to determine the amount of impairment loss. Amounts are written off only in the following circumstances: a) no probable legal recourse is available for recovery, b) the counterparty is bankrupt, c) the cost of recovery is more than the amount or d) after all possible efforts the Company is unable to recover amounts after a period of 3 years.

Similarly, substantial part of Company's financial assets, other than trade receivables are recoverable from Company's subsidiaries, which the management of the Company believes are not credit impaired and there are no 12 month expected credit losses that are required to be recognised.

- (ii) The Company has no such assets where credit losses have been recognised as none of the assets are credit impaired. Company's trade receivables are only with a single, government owned counterparty and are to be recovered under the power purchase agreement. Therefore, these trade receivables are considered high quality and accordingly no life time expected credit losses are recognised on such receivables based on simplified approach. Any provisions against such receivables are for liquidated damages and not related to credit worthiness of the counterparty.
- (iii) The credit risk for cash and cash equivalents and other bank balances is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

### B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

**Maturities of financial liabilities**

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(Amount in ₹ Lakhs)

| 31 March 2018               | Less than 1 year  | 1-5 year          | More than 5 years | Total               |
|-----------------------------|-------------------|-------------------|-------------------|---------------------|
| <b>Non-derivatives</b>      |                   |                   |                   |                     |
| Borrowings*                 | 379,176.64        | 356,500.36        | 570,152.80        | 1,305,829.79        |
| Trade payable               | 4,501.14          | -                 | -                 | 4,501.14            |
| Other financial liabilities | 40,111.08         | 10,598.87         | -                 | 50,709.95           |
| <b>Total</b>                | <b>423,788.86</b> | <b>367,099.23</b> | <b>570,152.80</b> | <b>1,361,040.88</b> |

| 31 March 2017               | Less than 1 year  | 1-5 year          | More than 5 years | Total               |
|-----------------------------|-------------------|-------------------|-------------------|---------------------|
| <b>Non-derivatives</b>      |                   |                   |                   |                     |
| Borrowings*                 | 335,394.04        | 423,470.36        | 639,169.24        | 1,398,033.64        |
| Trade payable               | 1,151.20          | -                 | -                 | 1,151.20            |
| Other financial liabilities | 43,609.61         | 10,598.63         | -                 | 54,208.24           |
| <b>Total</b>                | <b>380,154.85</b> | <b>434,068.99</b> | <b>639,169.24</b> | <b>1,453,393.08</b> |

\* Borrowings excludes finance lease obligations, refer note 50 for disclosure of maturity profile of finance lease obligations.

**C) Market Risk****a) Foreign currency risk**

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Company's functional currency.

**Foreign currency risk exposure:**

The Company's exposure to foreign currency risk at the end of the reporting periods are as follows:

| Particulars                    | 31 March 2018                         | 31 March 2017                         |
|--------------------------------|---------------------------------------|---------------------------------------|
| <b>Financial assets</b>        |                                       |                                       |
| Inter-Corporate Deposits (ICD) | USD 17,773,732<br>( ₹11,560.76 lakhs) | USD 17,465,017<br>( ₹11,324.07 lakhs) |

**Sensitivity**

The sensitivity of profit or loss and equity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

(Amount in ₹ Lakhs)

| Particulars                                       | 31 March 2018 | 31 March 2017 |
|---|---------------|---------------|
| <b>USD sensitivity</b>                            |               |               |
| INR/USD- increase by 4.09% (31 March 2017 4.09%)* | 472.84        | 463.15        |
| INR/USD- decrease by 4.09% (31 March 2017 4.09%)* | (472.84)      | (463.15)      |

\* Holding all other variables constant

## Notes Forming Part of the Financial Statements (Contd.)

of RattanIndia Power Limited (formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

### b) Interest rate risk

#### i) Liabilities/ assets

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31 March 2017, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

#### Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

| (Amount in ₹ Lakhs)                 |                   |                   |
|-------------------------------------|-------------------|-------------------|
| Particulars                         | 31 March 2018     | 31 March 2017     |
| <b>Variable rate:</b>               |                   |                   |
| Borrowing                           | 672,330.74        | 689,352.15        |
| Loan assets                         | 10,081.84         | 10,049.98         |
| <b>Total variable rate exposure</b> | <b>662,248.90</b> | <b>679,302.17</b> |
| <b>Fixed rate:</b>                  |                   |                   |
| Borrowing                           | 103,769.63        | 113,647.64        |
| Loans and deposits                  | 34,273.84         | 54,194.43         |
| <b>Total fixed rate exposure</b>    | <b>69,495.79</b>  | <b>59,453.21</b>  |

#### Sensitivity

Below is the sensitivity of profit or loss and equity due to changes in interest rates, assuming no change in other variables:

| (Amount in ₹ Lakhs)   |               |               |
|---|---------------|---------------|
| Particulars   | 31 March 2018 | 31 March 2017 |
| <b>Interest sensitivity</b>   |               |               |
| Interest rates – increase by 100 basis points (31 March 2017: 100 basis points) | (6,622.49)    | (6,793.02)    |
| Interest rates – decrease by 100 basis points (31 March 2017: 100 basis points) | 6,622.49      | 6,793.02      |

### c) Price risk

#### Exposure

The Company is exposed to price risk in respect of its investment in mutual funds(see Note 6). The mutual funds are unquoted investments.

#### Sensitivity

Below is the sensitivity of profit or loss and equity changes in fair value of investments, assuming no change in other variables:

| (Amount in ₹ Lakhs)                 |               |               |
|-------------------------------------|---------------|---------------|
| Particulars                         | 31 March 2018 | 31 March 2017 |
| <b>Price sensitivity</b>            |               |               |
| Price increase by 1000 basis points | 50.08         | 700.00        |
| Price decrease by 1000 basis points | (50.08)       | (700.00)      |

## 42 Capital management

The Company's capital management objectives are

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The amounts managed as capital by the Company for the reporting periods under review are summarised as follows:

(Amount in ₹ Lakhs)

| Particulars  | 31 March 2018     | 31 March 2017     |
|--|-------------------|-------------------|
| Long-term borrowings including finance lease obligations                       | 463,004.85        | 538,729.10        |
| Current maturities of long-term borrowings including finance lease obligations | 119,790.69        | 62,457.14         |
| Short-term borrowings  | 193,304.83        | 201,813.55        |
| Interest accrued on borrowings   | 84,281.93         | 16,893.89         |
| <b>Total borrowings</b>  | <b>860,382.30</b> | <b>819,893.68</b> |
| Less:  |                   |                   |
| Cash and cash equivalents  | 12,795.16         | 6,612.48          |
| Other bank balances  | 2,995.71          | 1,538.18          |
| Investment of excess fund in mutual funds                                      | 500.75            | 7,000.00          |
| <b>Net debts</b>   | <b>844,090.68</b> | <b>804,743.02</b> |
| <b>Total equity</b>  | <b>460,737.68</b> | <b>495,795.97</b> |
| <b>Net debt to equity ratio</b>  | <b>183.20%</b>    | <b>162.31%</b>    |

(i) Equity includes capital and all reserves of the Company that are managed as capital.

## 43 Details of assets pledged

The carrying amounts of assets pledged as security for current and non-current borrowings are:

(Amount in ₹ Lakhs)

| Particulars   | As at 31 March 2018 | As at 31 March 2017 |
|---|---------------------|---------------------|
| <b>Current</b>  |                     |                     |
| Inventories and trade receivables (to the extent pledged) | 147,030.31          | 86,008.47           |
| <b>Non-current</b>  |                     |                     |
| Property, plant and equipment                             | 742,401.26          | 741,430.20          |
| Capital work-in-progress                                  | 64,997.01           | 73,717.66           |
| Other intangibles assets                                  | 36.98               | 105.93              |
| Investments   | 267,656.33          | 271,505.61          |

## Notes Forming Part of the Financial Statements (Contd.)

of RattanIndia Power Limited (formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

### 44 Effective tax reconciliation

(Amount in ₹ Lakhs)

| Particulars   | For the year ended<br>31 March, 2018 | For the year ended<br>31 March, 2017 |
|---|--------------------------------------|--------------------------------------|
| Loss before tax   | (41,146.62)                          | (32,052.07)                          |
| Domestic tax rate   | 34.61%                               | 34.61%                               |
| <b>Expected tax expense [A]</b>                                   | <b>(14,240.85)</b>                   | <b>(11,093.22)</b>                   |
| Adjustment for non-deductible expenses                            | 21.51                                | 0.25                                 |
| Adjustment for exempt income                                      | (96.21)                              | (22.50)                              |
| Deferred tax assets not recognised                                | 14,315.55                            | 11,115.47                            |
| Tax credit (minimum alternative tax)                              | 691.06                               | -                                    |
| <b>Total adjustments [B]</b>                                      | <b>14,931.91</b>                     | <b>11,093.22</b>                     |
| <b>Actual tax expense [C=A+B]</b>                                 | <b>691.06</b>                        | <b>-</b>                             |
| Tax expense comprises:  |                                      |                                      |
| Current tax expense   | -                                    | -                                    |
| Deferred tax credit   | 691.06                               | -                                    |
| <b>Tax expense recognized in statement of profit and loss [D]</b> | <b>691.06</b>                        | <b>-</b>                             |

- 45 During the year, one of the lender of the Company adjusted ₹ 7,789.54 lakh of its dues on the Company, by invoking pledge on 1,000 lakh equity shares of the Company issued to RR Infralands Limited (RRIL), a Company having significant influence. To replenish it, 'IPL-PPSL scheme trust' transferred 1,000 lakh equity shares to RRIL. Pursuant to this transaction, corpus of the 'IPL-PPSL trust' in the books of the Company is reduced by ₹ 1,000 lakh being value of 1,000 lakh equity shares and balance ₹ 6,789.54 lakh has been credited to Capital Reserve.

### 46 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006:

(Amount in ₹ Lakhs)

| Particulars   | As at 31<br>March 2018 | As at 31<br>March 2017 |
|---|------------------------|------------------------|
| (i) Principal amount remaining unpaid to any supplier as at the end of the accounting year  | Nil                    | Nil                    |
| (ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year   | Nil                    | Nil                    |
| (iii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day  | Nil                    | Nil                    |
| (iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006   | Nil                    | Nil                    |
| (v) The amount of interest accrued and remaining unpaid at the end of the accounting year   | Nil                    | Nil                    |
| (vi) the amount of further interest remaining due and payable even in the succeeding years, until such date when interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of Micro, Small and Medium Enterprises Development Act, 2006 | Nil                    | Nil                    |

The above information and that given in Note 23 - 'Trade Payables' regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

- 47 The disclosure as per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 related to loans and advances in the nature of loans given to subsidiaries, associates and others and investments in shares of the Company by such parties is covered in the related party disclosures. (Refer Note 39)
- 48 The Company considers its investment in subsidiaries as strategic and long term in nature and accordingly, in the view of the management, there is no impairment loss that needs to be recorded for such investments other than already recorded in these standalone financial statements .
- 49 The Company is engaged in power generation and the setting up of power projects for generating, transmitting and supplying all forms of electrical energy and to undertake allied/ incidental activities in connection therewith. Considering the nature of the Company's business and operations, and the information reviewed by the Chief Operating Decision Maker (CODM) to allocate resources and assess performance, the company has one reportable business segment i.e. "Power generation and allied activities" as per the requirements of Ind AS 108 – 'Operating Segments'. Revenue of ₹ 201,538.21 Lakhs (31 March 2017 ₹ 133,450.34: Lakhs) are derived from a single external customer and the Company operates in one geography.
- 50 The Company has taken various premises on operating leases/ leave and license and lease payments recognized in the statement of profit and loss and property, plant and equipment amounting to ₹ 472.37 lakhs and ₹ 7.77 lakhs respectively for the year ended 31 March 2018 (31 March 2017: ₹ 391.63 lakhs for Statement of Profit and Loss and ₹ 84.64 lakhs for Property, Plant and Equipment) in respect of the same. The underlying agreements are executed for a period generally ranging from 11 months to three years, renewable at the option of the Company and are cancellable, by giving a notice generally of 30 to 90 days. An agreement is entered into by the Company for a period of 9 years with non-cancellable period of initial 3 years. There are no restrictions imposed by such leases and there are no subleases. The minimum lease rentals outstanding as at Balance Sheet dates are as under:

(Amount in ₹ Lakhs)

| Minimum lease rentals payables | 31 March 2018 | 31 March 2017 |
|--------------------------------|---------------|---------------|
| Within one year                | 540.92        | 652.23        |
| One to five years              | Nil           | 540.92        |
| Above five years               | Nil           | Nil           |

The Company has entered into a Power Purchase Agreement with MSEDCL (Lessee) for the supply of electricity for a term of 25 years, which has been considered as an embedded lease arrangement for the Company's power plant. Such lease is classified as operating lease, and as such the revenue is recognized on straight line basis. Considering that the capacity charges per unit is higher in the initial years, there is a negative impact to P&L on account of straightlining. Accordingly, capacity charges charged by the Company are treated as lease rentals. The minimum lease payments under non-cancellable operating leases to be charged by the Company are as follows:

(Amount in ₹ Lakhs)

| Minimum lease rentals receivables | 31 March 2018 | 31 March 2017 |
|-----------------------------------|---------------|---------------|
| Within one year                   | 98,287.20     | 98,287.20     |
| One to five years                 | 306,299.88    | 335,339.28    |
| Above five years                  | 1,038,241.86  | 1,107,489.66  |

# Notes Forming Part of the Financial Statements (Contd.)

of RattanIndia Power Limited (formerly known as Indiabulls Power Limited.) for the year ended 31 March 2018

The Company has leased land, which has been classified as finance leases. The reconciliation between the total of future minimum lease payments and their present value at the end reporting period is as follows:

(Amount in ₹ Lakhs)

| Particulars                | Minimum lease rentals payable |           |                   |                  |
|----------------------------|-------------------------------|-----------|-------------------|------------------|
|                            | Less than 1 year              | 1-5 years | More than 5 years | Total            |
| <b>As at 31 March 2018</b> |                               |           |                   |                  |
| Lease payment              | 198.28                        | 793.10    | 16,173.87         | <b>17,165.25</b> |
| Finance charge             | 198.27                        | 793.06    | 14,521.67         | <b>15,513.00</b> |
| Net present value          | 0.01                          | 0.04      | 1,652.20          | <b>1,652.25</b>  |
| <b>As at 31 March 2017</b> |                               |           |                   |                  |
| Lease payment              | 198.28                        | 793.10    | 16,372.15         | <b>17,363.53</b> |
| Finance charge             | 198.27                        | 793.07    | 14,719.94         | <b>15,711.28</b> |
| Net present value          | 0.01                          | 0.03      | 1,652.21          | <b>1,652.25</b>  |

- 51** On 10 January 2018, Company has retrospectively amended the Inter Company Deposits (ICD) agreements with subsidiary company and certain other entities in which KMP has significant influence in respect of ICD interest of earlier periods to the extent not paid upto the date of agreement and for the period upto 31 March 2018. As per the revised terms unpaid interest, amounting to ₹ 14,017.16 Lakhs up to 31st March 2018, on such loans will accrue and become due only on future uncertain event. Accordingly, during the year ended 31 March 2018, Company has reversed the interest accrued and not paid upto 31 December 2017 aggregating to ₹ 10,995.87 lakhs on such ICDs.
- 52** In respect of amounts as mentioned under Section 125 of the Companies Act, 2013, there are no delays in transfer of dues required to be credited to the Investor Education and Protection Fund as at 31 March 2018. There were no dues required to be credited to the Investor Education and Protection Fund as at 31 March 2017.
- 53** The Company has incurred a loss of ₹ 41,814.00 Lakhs during the year ended 31 March 2018 (year ended 31 March 2017 ₹ 32,071.25 Lakhs), and as of that date, Company's accumulated losses from operations amounts to ₹ 132,521.21 Lakhs (as of 31 March 2017 ₹ 90,732.96 Lakhs) and its current liabilities exceed current assets by ₹ 243,830.28 Lakhs (as of 31 March 2017 ₹ 179,200.41 Lakhs). The Company continued to operate at sub-optimal levels due to lower demand from MSEDCCL and also short availability of coal during the year resulting in adverse impact on cash flow from operations.

The lenders of the Company invoked Scheme for Sustainable Structuring of Stressed Assets (S4A) as per the Reserve Bank of India (RBI) guidelines for resolution of issues faced by the Company's project to facilitate long term viability of the project. However, subsequent to RBI's notification dated 12 February 2018, all debt restructuring schemes (including S4A) were repealed with immediate effect which impacted progress made by the Company under S4A. As per the RBI notification, revised reference date was determined as 01 March 2018 and the Company now has time of six-months from the reference date for finalizing any resolution plan with lenders. The Company is in active discussion with lenders for successful resolution of debt. The lenders have shown interest in resolution of debt which inter alia includes conversion of part of the debt into equity shares and redeemable preferences shares and extension of maturity profile of remaining debt over a longer period. The lenders have appointed consultants to carry out necessary technical and legal due diligence and project valuation for the purpose of aforementioned restructuring.

Conditions explained above, indicate existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern due to which the Company may not be able to realise its assets and discharge its liabilities in the normal course of business. However, on expectation of resolution of debt with lenders and restoration of full operations on higher demand from MSEDCCL and availability of coal, these standalone financial statements have been prepared on a going concern basis.



- 54** The construction activity at Company's 1350 MW power plant (Phase II) is currently suspended. As of 31 March 2018, Phase II Capital work in progress balance is ₹ 54,889.84 Lakhs (as of 31 March 2017: ₹ 55,232.88 Lakhs) and related Capital advance balance is ₹ 35,399.49 Lakhs (as of 31 March 2017: ₹ 38,791.57 Lakhs). The management believes that the suspension is not likely to lead to impairment of the aforementioned CWIP and Capital advance balances. The Company has all necessary environmental clearances and infrastructure like FSA, land, railway and water connection which are difficult to secure in the current environment. Further the cost of setting up this plant is significantly lower than setting up a new plant due to common facilities available with the Company.

In view of aforesaid factors along with external factors such as increasing power consumption and related demand in market, management is confident that the project is fully viable and hopeful of reviving the project at appropriate time. Considering above factors and the ongoing discussion with suppliers, the management believes, no impairment is required to the aforementioned carrying amount of capital work in progress and capital advance in these standalone financial statements.

- 55** The Company has a non-current investment of ₹ 302,621.55 lakhs and loan under current financial assets of ₹ 4,865.37 lakhs and trade receivables of ₹ 532.65 lakhs recoverable from, RattanIndia Nasik Power Limited ('RNPL'), a wholly-owned subsidiary of the Company, as at 31 March 2018.

RNPL has incurred losses since its inception and is yet to commence operations. Subsequent to defaults in debt repayments, RNPL initiated discussion with consortium of lenders for restructuring of debt under Strategic Debt Restructuring Scheme ('SDR') as per the Reserve Bank of India (RBI) guidelines. However, as detailed in note 53 above, RBI's notification dated 12 February 2018 repealed all debt restructuring schemes (including SDR) which also impacted progress made by RNPL under SDR. RNPL is in active discussion with lenders for successful resolution of debt and has time till six-months from the reference date (i.e 01 March 2018) for finalizing any resolution plan with lenders. Lenders have shown interest in restructuring of debt along with exploring the possibility of change of control of RNPL and have appointed consultants to carry out necessary technical and legal due diligence and project valuation. Conditions explained above, indicate existence of uncertainties that may cast significant doubt on the RNPL's ability to continue as a going concern due to which the RNPL may not be able to realise its assets and discharge its liabilities in the normal course of business. However, on expectation of resolution of debt with lenders within the available time frame and expectation of entering into a PPA soon, management is of the view that RNPL's going concern basis of accounting is appropriate. Accordingly the investment in the said subsidiary along with loan under current financial assets and trade receivables as stated above are considered good and recoverable by the Company.

- 56** The Company has a non-current investment of ₹ 43,277.11 lakhs in, and loan under non-current financial assets of ₹ 11,560.76 lakhs recoverable from Bracond Limited, a wholly-owned subsidiary of the Company, as at 31 March 2018. Bracond Limited has further invested in two wholly-owned subsidiaries namely Renemark Limited and Genoformus Limited who have given advances to non-related parties. As these advances are given for business purposes, management is confident of realising full value of these advances and hence, ultimately Company's investment in Bracond Limited. Accordingly, no impairment in value of such investment and other financial assets has been recorded in these financial statement.

For **Walker Chandio & Co. LLP**  
Chartered Accountants

per **Neeraj Goel**  
Partner

For and on behalf of the Board of Directors

**Rajiv Rattan**  
Chairman  
DIN: 00010849

**Jayant Kawale**  
Managing Director  
DIN: 00076038

**Samir Taneja**  
Chief Financial Officer

**Gaurav Toshkhani**  
Company Secretary

Place: New Delhi  
Date: 18 May 2018

## NOTES

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**RattanIndia Power Limited**

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Corporate and Registered Office:  
RattanIndia, 5th Floor, Tower-B,  
Worldmark 1, Aerocity,  
New Delhi - 110037