

November 6, 2019

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: Intimation under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations") in respect meeting of the Board of Directors of RattanIndia Power Limited (the "Company") held on November 6, 2019**

This has reference to (i) our letter dated September 19, 2019, whereby it had been intimated that the Board of Directors of the Company have accepted the letter of intent dated September 17, 2019, from certain lenders who had funded its 1350 MW, Phase-I, Thermal Power Project in Amravati, Maharashtra (the "LoI" and such lenders, the "Lenders"), the LoI having been issued in favour of the Company subsequent to it being declared successful in the open bid process run by the Lenders for the purpose of resolution of the Company's aforesaid debt ("Debt Resolution"); and (ii) our letter dated November 2, 2019, whereby, in pursuance of the LoI and towards overall implementation of the Debt Resolution, it was informed that a meeting of the Board of Directors of the Company was proposed to be held on or after Wednesday, November 6, 2019 to consider and if thought fit, approve, *inter alia*, the following, which shall be subject to the receipt of approval of the shareholders of the Company:

- issuance of equity shares, redeemable preference shares and optionally convertible redeemable preference shares of the Company on a private placement basis to Lenders towards reduction of certain outstanding debt of the Company;
- issuance of equity shares and non-convertible debentures of the Company on a private placement basis to the potential investor(s) towards reduction of certain outstanding debt of the Company proposed to be taken over by the investor(s); and
- issuance of compulsorily convertible debentures of the Company on a private placement basis to certain member(s) of the promoters/promoter group of the Company towards reduction of certain outstanding promoter debts.

We now wish to inform you that in terms of the intimation dated November 2, 2019, a meeting of the Board of Directors of the Company was held today i.e. on November 6, 2019 at New Delhi.

While deliberating on the LOI, the Board took a holistic view of the same and noted the following:

- The fund based bank and institutional debt (including accrued interest) of the Company as on September 30, 2019 is Rs. 8241,97,38,395/- (Rupees Eight Thousand Two Hundred Forty One Crore Ninety Seven Lakh Thirty Eight Thousand Three Hundred and Ninety Five).



**RattanIndia Power Limited**

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CIN: L40102DL2007PLC169082

Additionally, certain promoters and promoter group entities of the Company have in the past infused inter corporate deposits, which as on September 30, 2019 aggregate to Rs. 809,56,93,869/- (Rupees Eight Hundred Nine Crore Fifty Six Lakh Ninety Three Thousand Eight Hundred and Sixty Nine).

- B. Further, the promoter group entities of the Company have committed to infuse an aggregate amount of up to Rs. 200,00,00,000/- (Rupees Two Hundred Crore) into the Company, towards reduction of a portion of the outstanding debt of the Company and to enable the Company to meet certain other obligations including repayment of its debt to ICICI Bank Limited, and the debt to IDBI Limited as the lender for the 1350 MW Phase-II Amravati Thermal Power Project as the Phase II Lender. The amount reflected aforesaid at point A above relating to inter corporate deposits is inclusive of the amount already infused by the promoter group entities of the Company towards the committed infusion of up to Rs. 200,00,00,000/- (Rupees Two Hundred Crore).
- C. In the past, the Company has worked extensively with the Lenders to implement resolution of its debt under the various schemes and guidelines issued by the Reserve Bank of India ("RBI") to address the burgeoning debt and the financial stress faced by the Company, including under RBI's Scheme for Sustainable Structuring of Stressed Assets ("S4A"). However, with the issuance of RBI's circular on "Resolution of Stressed Assets - Revised Framework" dated February 12, 2018 ("February 12 Circular"), the S4A scheme was withdrawn and the resultant impact on the Company being that the implementation under S4A, despite being in advanced stages, had to be revoked. The Company thereupon continued its engagement with the Lenders and requested to formulate a resolution plan in terms of the February 12 Circular to resolve its outstanding debt. However, this resolution plan too could not be implemented as the resolution plan could not achieve the rating requirements in line with the February 12 Circular.
- D. Even in the backdrop of the above challenges, the Company and its promoters consequently proposed a binding settlement ("Binding Settlement"), funding of which was backed by Aditya Birla ARC Limited and well-known foreign stress funds. Simultaneously, Power Finance Corporation Limited, in its capacity as the lead lender, initiated proceedings under the Insolvency and Bankruptcy Code, 2016 and filed an application under Section 7 of the Insolvency and Bankruptcy Code, 2016 vide (IB)-1226(PB)/2018 on September 10, 2018 before the Hon'ble National Company Law Tribunal, New Delhi ("NCLT") against the Company in line with the February 12 Circular ("IBC Proceedings").
- E. The Company challenged the February 12 Circular before the Hon'ble Allahabad High Court and the Hon'ble Supreme Court of India. Consequently, the Hon'ble Supreme Court of India, by way of its order dated April 2, 2019 in the matter of *Dharani Sugars and Chemicals v Union of India*, struck down the February 12 Circular being ultra vires of the provisions of the Banking Regulation Act, 1949. Furthermore, all actions taken under the February 12 Circular, including insolvency proceedings initiated thereunder, were also quashed. Pursuant to the quashing of February 12 Circular, Power Finance Corporation Limited withdrew the IBC Proceedings on May 14, 2019.



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- F. Simultaneous to IBC Proceedings and contesting the February 12 Circular, the Company had kept its dialogues in respect of the Binding Settlement alive and proposed a revised binding settlement under RBI's new circular dated June 7, 2019 on "Prudential Framework for Resolution of Stressed Assets" ("**Prudential Framework**").
- G. The Company and its promoters, RattanIndia Infrastructure Limited and RR Infralands Private Limited (the "**Promoters**") approached the Lenders with a fresh binding settlement offer in terms of their letter dated July 31, 2019 for resolution of the outstanding debt which as September 30, 2019 was Rs. 8042,05,48,154/- (Rupees Eight Thousand Forty Two Crore Five Lakh Forty Eight Thousand One Hundred and Fifty Four) ("**Outstanding Debt**"), in terms of which the Company and the Promoters have offered a binding settlement proposal for an amount of Rs. 4050,00,00,000/- (Rupees Four Thousand and Fifty Crore) to the Lenders ("**Binding Settlement Amount**"), as a full and final settlement of the Outstanding Debts under the Prudential Framework, excluding the non-fund based limits which are proposed to be continued by the existing non fund based lenders of the Company ("**Binding Settlement Proposal**").
- H. Subsequent to the Binding Settlement Proposal, the Lenders carried out a swiss challenge wherein the Company emerged as the successful bidder. The Lenders then issued a letter of intent for the implementation of the Binding Settlement Proposal wherein it required the Company to submit a corporate performance guarantee of Rs. 75,00,00,000 (Rupees Seventy Five Crore), which has already been submitted.
- I. The Binding Settlement Amount comprises of:
- I. a cash component of Rs. 3315,00,00,000/- (Rupees Three Thousand Three Hundred and Fifteen Crore) (which includes an amount of Rs. 675,00,00,000 (Rupees Six Hundred and Seventy Five Crore - Rs. 575,00,00,000 appropriated until 31<sup>st</sup> July 2019 and Rs. 100,00,00,000 appropriated subsequently by the Lenders from the trust and retention account of the Company in exercise of their rights under the financing documents) to be funded (a) by Aditya Birla ARC Limited, acting on behalf of, and in its capacity as trustee of Trust ABARC-AST-002 TRUST (backed by global investors) for an amount of up to Rs. 2590,00,00,000 /- (Rupees Two Thousand Five Hundred and Ninety Crore); and (b) by infusion by the promoters and promoter group entities of the Company ("**Promoter and Promoter Group**") of an amount of up to Rs. 50,00,00,000 /- (Rupees Fifty Crore); and
- II. issuances to the Lenders, of (i) 25,00,00,000 (Twenty Five Crore) redeemable preference shares of the Company (ii) 80,57,24,169 (Eighty Crore Fifty seven Lakhs Twenty Four Thousand One Hundred and Sixty Nine) equity shares of the Company; and (iii) 37,69,20,000 (Thirty Seven Crore Sixty Nine Lakh Twenty Thousand) optionally convertible cumulative redeemable preference shares of the Company (along with a premium payable on redemption to be calculated in accordance with the terms of the optionally convertible cumulative preference shares of the Company as agreed with the Lenders.



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- J. As is evident from the above actions taken by the Company and its promoters, it is clear that every effort has been made to keep the Company from further proceedings under the Insolvency and Bankruptcy Code, 2016 and to protect shareholders interest.
- K. In light of the debt position of the Company as mentioned above and the threat of an application being filed by the lead lender under Section 7 of the Insolvency and Bankruptcy Code, 2016 pursuant to the Prudential Framework, it is evident that the Company is facing an imminent risk of insolvency which would adversely affect the interests of its stakeholders including the shareholders. In the event that the Binding Settlement Proposal is not implemented in its entirety, the Company will continue to face serious threats of initiation of insolvency proceedings in the near future. On the other hand, the successful implementation of the Binding Settlement Proposal and the ensuing settlement is expected to significantly improve the financial position of the Company and create long term viability for the Company and its stakeholders including the shareholders. The approval of the shareholders of the Company in this regard is critical for the Company to resolve the financial stress in a timely manner in order to avoid initiation of corporate insolvency resolution process under the Insolvency and Bankruptcy Code, 2016.

In view of the above and in accordance with the terms of the Binding Settlement Proposal, the Board approved the issuance of following securities:

A. Issuance of Securities to the Lenders

- i. Type of securities proposed to be issued: Equity shares, redeemable preference shares and optionally convertible cumulative preference shares, of the Company.
- ii. Type of issuance: Preferential allotment/ private placement.
- iii. Total number of securities proposed to be issued: (a) up to 80,57,24,169 equity shares of face value of Rs 10 each of the Company; (b) up to 25,00,00,000 redeemable preference shares of face value of Rs. 10 each of the Company; and (c) up to 37,69,20,000 optionally convertible cumulative preference shares of face value of Rs 10 each of the Company.
- iv. Name(s) of the investor(s): Power Finance Corporation Limited, Axis Bank Limited, UCO Bank, Life Insurance Corporation of India Limited, Bank of India, Central Bank of India, State Bank of India, Punjab National Bank, Canara Bank, United Bank of India, Syndicate Bank and Rural Electrification of India Limited.
- v. Number of investors: 12
- vi. The redeemable preference shares of the Company shall not be listed.
- vii. The redeemable preference shares of the Company shall be redeemable at par upon completion of 24 months from the date of allotment of such redeemable preference shares of the Company.
- viii. The optionally convertible cumulative preference shares of the Company shall be redeemed at a premium for an amount to be calculated in accordance with terms of issuance thereof. The optionally convertible cumulative preference shares of the Company shall be redeemable by the Company along with redemption premium, upon the completion of seven years from the date of allotment and if the optionally convertible cumulative preference shares of the Company are not redeemed, then the face value of the unredeemed optionally convertible cumulative preference



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shares of the Company along with corresponding premium shall be convertible into equity shares of the Company at the option of the Lenders.

- ix. The rate of coupon on the redeemable preference shares and the optionally convertible cumulative preference shares of the Company is 0.001% per annum.

**B. Issuance of Securities to the potential investor**

- i. Type of securities proposed to be issued: Equity shares and non-convertible debentures ("NCDs") of the Company.
- ii. Type of issuance: Preferential allotment/ private placement.
- iii. Total number of securities proposed to be issued: (a) up to 80,57,24,169 equity shares of face value of Rs. 10 each of the Company; and (b) 3,33,050 NCDs of face value of Rs. 1,00,000 each of the Company.
- iv. Name(s) of the investor(s): Aditya Birla ARC Limited.
- v. Number of Investors: One
- vi. The NCDs of the Company shall not be listed.

**C. Issuance of Securities to certain member(s) of the promoters/promoter group of the Company**

- i. Type of securities proposed to be issued: Compulsorily convertible debentures ("CCDs") of the Company.
- ii. Type of issuance: Preferential allotment/ private placement.
- iii. Total number of securities proposed to be issued: up to 80,57,24,169 CCDs of face value of Rs. 10 each of the Company.
- iv. Name(s) of the investor(s): RR Infralands Private Limited.
- v. Number of investors: One
- vi. The CCDs of the Company shall not be listed.
- vii. The CCDs of the Company shall be convertible into equity shares of the Company on or prior to the date 18 months from the date of issuance and allotment of the CCDs of the Company, at the option of RR Infralands Private Limited and the CCDs of the Company outstanding on the date 18 months from the date of issuance and allotment shall be immediately converted into equity shares by the Company, subject to compliance of applicable laws.
- viii. The coupon rate on the CCDs of the Company is 0.001% per annum.

Please note that since the Company has not yet decided on certain details such as security of the NCDs of the Company, and since certain events are yet to take place such as allotment of securities, such information have not been disclosed at this stage.

The Board of Directors of the Company also approved alteration and increase of the authorized share capital of the Company and consequent amendment to the capital clause of the memorandum of association of the Company.

Further, the Board of Directors of the Company also approved the entering into of a related party transaction with a promoter entity in connection with the direct/ indirect financial assistance proposed to



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be sought from it, in the shape of a debt(s). The same shall be towards effectuation and furtherance of the Debt Resolution.

The Board of Directors of the Company has decided to convene an extraordinary general meeting of the members of the Company on Tuesday, December 3, 2019 at New Delhi, for the purpose of procuring the approval of the members of the Company for the aforementioned matters and approved the notice to be issued to the members of the Company in this regard, in terms of the draft tabled before the Board of Directors of the Company.

The Board meeting commenced at 7:00 P.M. and concluded at 9:00 P.M.

We would request you to take this intimation on record.

Thanking You,

Yours Faithfully

For **RattanIndia Power Limited**

**Lalit Narayan Mathpati**  
Company Secretary

