



**Reliance Infrastructure Limited**

**Corporate Office:**

3<sup>rd</sup> floor, north wing  
Reliance Energy Centre  
Santa Cruz (East)  
Mumbai 400 055  
CIN : L75100MH1929PLC001530

Tel: +91 22 3303 1000  
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www.rinfra.com

October 30, 2017

The General Manager  
Corporate Relationship Department  
BSE Limited  
Phiroze Jeejeeboy Towers  
Dalal Street, Fort  
Mumbai 400 001  
**BSE Scrip Code: 500390**

The Manger  
National Stock Exchange of India limited  
Plaza, 5<sup>th</sup> Floor, Plot no.C/1, G Block  
Bandra Kurla Complex, Bandra (E)  
Mumbai 400 051  
**NSE Scrip Symbol: RELINFRA**

Dear Sirs,

**Sub: Filing of Annual Report 2016-17 under Regulation 34 (1)**

Pursuant to Regulation 34 (1) and all other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), we enclose herewith the Annual Report for the financial year 2016-17.

Kindly take the same on record and inform your members accordingly.

Yours faithfully,  
**For Reliance Infrastructure Limited**

Ramesh Shenoy  
Company Secretary

Encl. :- As above.

**ReLIANCE**

Infrastructure

# Annual Report 2016-17



**Padma Vibhushan**  
**Shri Dhirubhai H. Ambani**  
(28th December, 1932 - 6th July, 2002)  
Reliance Group - Founder and Visionary

# Profile

Reliance Infrastructure Limited (RInfra), constituent of the Reliance Group was incorporated in 1929 and is one of the largest infrastructure companies, developing projects through various Special Purpose Vehicles (SPVs) in several high growth sectors such as power, roads, metro rail and airport in the infrastructure space and the defence sector.

RInfra is also a leading utility company having presence across the value chain of power businesses i.e. generation, transmission, distribution and power trading.

RInfra through its SPVs has executed a portfolio of infrastructure projects such as a metro rail project in Mumbai on build, own, operate and transfer (BOOT) basis; eleven road projects with total length of about 1,000 kms on build, operate and transfer (BOT) basis.

RInfra along with its wholly owned subsidiary company has installed capacity of 941 MW of power; distributes power to over 69 lakh consumers in Mumbai and Delhi. RInfra subsidiary companies have commissioned three transmission projects by installing ten national grid lines, being the first set of lines commissioned in India by the private sector.

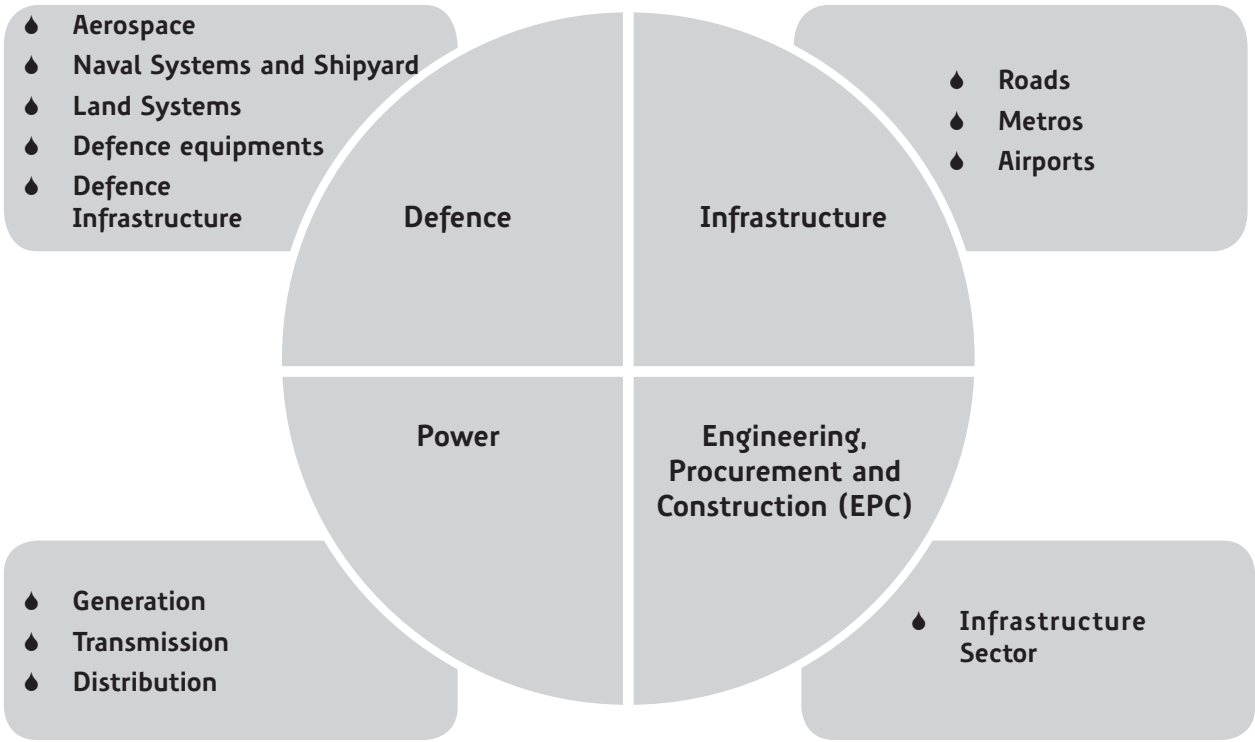
RInfra also provides Engineering, Procurement and Construction (EPC) services for developing power infrastructure and road projects.

The Company has entered into the defence sector. The Maharashtra Government has allotted land at Mihan near Nagpur for the development of India's first smart city for the defence sector known as Dhirubhai Ambani Aerospace Park (DAAP). RInfra associate Reliance Defence & Engineering Ltd, has India's largest dry dock facility to build warships and other naval vessels.

# Mission

- To attain global best practices and become a world-class utility.
- To create world-class assets and infrastructure to provide the platform for faster, consistent growth for India to become a major world economic power.
- To achieve excellence in service, quality, reliability, safety and customer care.
- To earn the trust and confidence of all customers and stakeholders, exceeding their expectations and make the Company a respected household name.
- To work with vigour, dedication and innovation with total customer satisfaction as the ultimate goal.
- To consistently achieve high growth with the highest levels of productivity.
- To be a technology driven, efficient and financially sound organisation.
- To be a responsible corporate citizen nurturing human values and concern for society, the environment and above all people.
- To contribute towards community development and nation building.
- To promote a work culture that fosters individual growth, team spirit and creativity to overcome challenges and attain goals.
- To encourage ideas, talent and value systems.
- To uphold the guiding principles of trust, integrity and transparency in all aspects of interactions and dealings.

Business Mix



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Key Managerial Personnel		
Shri Lalit Jalan – Chief Executive Officer		
Shri Sridhar Narasimhan – Chief Financial Officer		
Shri Ramesh Shenoy – Company Secretary		
Auditors		
M/s. Haribhakti & Co. LLP		
M/s. Pathak H D & Associates		
Registered Office		
H Block, 1 <sup>st</sup> Floor		
Dhirubhai Ambani Knowledge City		
Navi Mumbai 400 710.		
CIN : L75100MH1929PLC001530		
Tel. : +91 22 3303 1000		
Fax : +91 22 3303 3664		
Email : rinfra.investor@relianceada.com		
Website: www.rinfra.com		
Registrar and Transfer Agent		
Karvy Computershare Private Limited		
Karvy Selenium, Tower – B, Plot No. 31 & 32		
Survey No. 116/22, 115/24, 115/25		
Financial District, Nanakramguda		
Hyderabad 500 032.		
Website: www.karvy.com		
Investor Helpdesk		
Toll free no (India) : 1800 4250 999		
Tel. no. : +91 40 6716 1500		
Fax no. : +91 40 6716 1791		
Email : rinfra@karvy.com		

**88<sup>th</sup> Annual General Meeting on Tuesday, September 26, 2017 at 12.00 noon or soon after conclusion of the AGM of Reliance Capital Limited convened on the same day, whichever is later, at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020**

*This Annual Report can be accessed at [www.rinfra.com](http://www.rinfra.com).*



My dear fellow Shareowners

It is with immense pleasure that I share with you the highlights of your Company's performance during the financial year 2016-17.

The Company over the past decade has firmly established itself as a well diversified company with strong presence across major segments of infrastructure businesses such as roads, metro rail, airports as also engineering, procurement and construction (EPC) business by leveraging its core competence in building and managing world-class infrastructure facilities. The Company is also a fully integrated entity in the entire value chain of generation, transmission and distribution.

The Company has recently taken a series of strategic initiatives to pursue its vision of actively participating in the manufacture of defence equipment and systems. In this short span of time, it has entered into several strategic partnerships with leading global original equipment manufacturers. This will help the Company establish joint ventures for transfer of niche technologies and develop state-of-the-art equipment, weapons and systems indigenously. The Company is all set to successfully seize the humongous business opportunities emerging in the defence sector in India, with a view to achieving accelerated growth.

We continue to make progress on monetisation of various assets. The Company completed the sale of its equity stake in its cement special purpose vehicle (SPV) and is in the process of divesting part of transmission business. The Company actively pursues several project related disputes which are under various stages of arbitration. The Company has won favourable arbitration awards relating to Delhi Airport Metro project and two Toll Road projects. The proceeds from the asset monetisation and arbitration awards will result in significant debt reduction and help in unlocking value for the shareholders.

### Performance Review

I wish to share with you the highlights of our financial and operational performance (consolidated) during the year 2016-17.

- Total Income of ₹ 28,222 crore (US\$ 4.4 billion)
- EBITDA of ₹ 8,274 crore (US\$ 1.3 billion)
- Net Profit of ₹ 1,425 crore (US\$ 220 million)
- Earnings per Share (EPS) of ₹ 54.18 (US\$ 0.83)
- Cash Earnings per Share of ₹ 118.36 (US\$ 1.83)

With a net worth of ₹ 23,348 crore (US\$ 3.6 billion), Reliance Infrastructure ranks among the top performing Indian private sector companies in the country.

### Power Generation

Our power generation plants, with aggregate installed capacity of 941 MW, continue to demonstrate significant improvement across major operational, environmental and safety performance parameters. Our power plants are certified for Integrated Management System covering Quality, Environment, Occupational Health and Safety, Energy Management, Information Security Management, Social Accountability Management and Asset Management System.

During 2016-17, Dahanu Thermal Power Station (DTPS) was conferred with the National Award by the Confederation of Indian

Industry for excellence in energy efficiency, IIPAI Power Award – 2016 as the best thermal power generator and Maharashtra Energy Development Agency (MEDA) award for excellence in energy management.

DTPS has completed the 1st cycle of Perform, Achieve and Trade as per Energy Conservation Act, 2001 and received 4,591 Energy Saving Certificates (ESCerts) which can be traded on Power Exchanges.

### Power Transmission

Our Company, being one of the leading private sector players of the country in the transmission sector, owns a project portfolio of over ₹ 4,600 crore. The Mumbai Power Transmission Division caters to the need of evacuation of power from DTPS and state grid to Mumbai utilities. The transmission lines connect Mumbai system at nine points with the state grid. Our power transmission network has achieved System availability of 99.80 per cent in 2016-17, much above the norm set by the regulator resulting in consistent availing of 100 per cent incentive as per regulations.

The Company is in the process of monetizing its transmission projects in Western Region System Strengthening Scheme (WRSSS) and the Parbati Koldam Transmission project. A Share Purchase Agreement (SPA) has already been signed with Adani Transmission Limited for sale of 100 per cent stake in WRSSS Transmission Assets which is in the advanced stage of closure. The SPA for sale of our entire 74 per cent stake in Parbati Koldam Transmission Company Limited shall be executed upon receipt of approval from appropriate authorities.

### Power Distribution

Mumbai Power Distribution Division being a state-of-the-art power utility network has been distributing electricity over 9 decades in the suburbs of Mumbai. The Company serves nearly 3 million customers using 21,000 kms of cable network, operating distribution network at 99.99 per cent reliability, giving our customers one of the most reliable power distribution networks in the country.

The Division has managed to reduce aggregate technical and commercial (AT&C) losses to 8.26 per cent, one of the lowest in the country.

Committed to deliver reliable and quality power supply and with a quest to introduce modern day technologies in its day to day processes, this division is perhaps the only utility in the country to have optimized use of an integrated system of network planning and management. This division is also converting conventional grid into smart grid using compact, communicable substations / receiving Stations, while adhering to all statutory compliances and Public Safety. This division has highest number of substations monitored and controlled through remote locations.

Contributing to the Government's "Digital India" campaign, this division offers all services on customer's finger-tips through Internet, Mobile App, 24X7 Toll free Power Helpline number and the widest range of Payment Avenues. The division has presence

**Letter to Shareowners**

on social media such as Twitter, YouTube, LinkedIn and has the highest Utility followers on facebook in the world.

The Company's social engagement programme, Young Energy Saver (YES) campaign with 2 lakh members, has sensitized more than 6.5 lakh citizens and created a new landmark, entry into the Guinness Book of World Records.

The Scheme of Arrangement for transfer of the Company's Mumbai Power Generation, Transmission and Distribution Divisions, Samalkot Power Station Division, Goa Power Station Division and Windmill Division received the approval of the Bombay High Court on January 19, 2017, subject to obtaining the consent of the lenders and regulatory approvals.

**The EPC Business**

The Engineering, Procurement and Construction (EPC) Division currently focuses on EPC contracts from various Infrastructure sectors including power, transportation, defence and other mega Infra development sectors. Backed by an extraordinarily talented work force and years of experience in the field, we employ state-of-the-art technologies in every facet of our EPC operation, delivering superior value in engineering, design and project management.

A Centre of Engineering Excellence has been formed to build Knowledge Capital in order to enable the execution of large projects at optimum cost, while ensuring high standards of quality and strict adherence to timelines. Our EPC business has an order book of approximately ₹ 5,960 crore as of March 31, 2017. This year, our division bagged new orders of ₹ 4,386 crore, including the prestigious EPC order for setting up two 250 MW lignite based Thermal Power Projects near Bikaner in Rajasthan and four-laning of about 66-km stretch of National Highway between Vikkravandi to Pinalur-Sethiyahopu in Tamil Nadu.

**Road Projects**

Over the last decade, we have emerged as one of the largest road developers on Build, Own and Transfer basis, with a portfolio of eleven projects at an aggregate outlay of approximately ₹ 11,600 crore. We have urban centric roads in high traffic density corridors spread across six states in India and are one of the largest concessionaires of the National Highways Authority of India. We have achieved a 10 per cent increase in the revenue despite the impact of demonetisation during the year.

As part of our ongoing asset monetization plans and in line with the Government of India's initiative to promote alternative means for long term financing, our Company formed an Infrastructure Investment Trust i.e. Reliance Infrastructure InvIT Fund (the Trust) to monetize the toll road assets of the Company. The Trust is registered with the Securities and Exchange Board of India (SEBI) and shall hold assets of completed toll road projects. The Company is the Sponsor and Project manager of the Trust and Reliance Nippon Life Asset Management Limited is the Investment Manager. The Investment Manager has filed the draft offer document with SEBI for initial public offer of units representing an undivided beneficial interest in the Trust.

**Metro Project**

The Mumbai Metro Line 1 project covering Versova-Andheri-Ghatkopar corridor which commenced operations in June 2014 has served over 300 million passengers since inception. Since the launch of this Metro line, there has been increase of around 16 per cent in average ridership. Mumbai Metro has emerged as the eighth densest metro corridor in the world with an peak ridership of 3.8 lakh commuters per day as it is the fastest mode of East West connectivity in Mumbai. Mumbai Metro has adopted the 'green initiative' in a big way by harnessing solar energy and switching to LED lights. Metro has tied up with Paytm and other mobile wallets to help commuters opt for cashless transactions. Mumbai Metro is the first and only Metro in the country to offer WiFi connectivity at all its 12 stations and even inside the trains.

Mumbai Metro Line 1 was awarded the prestigious "Best Metro of the Year 2016" by Indian Merchants Chambers.

**Defence Business**

The Company is committed to developing a robust defence business contributing significantly to the national security and to be self-reliant in defence segment. In a short span of about a year, we could establish ourselves in the Indian defence industry with several tie-ups with global equipment suppliers. We have joined hands with Dassault Aviation of France as the key offset partner with respect to supply of 36 Rafael Aircrafts. The offset contract at about ₹ 30,000 crore is the largest ever offset contract of India. A separate joint venture (JV) company, namely, Dassault Reliance Aerospace Limited – a JV with Dassault Aviation holding 49 per cent equity and the Reliance Group holding the balance 51 per cent has already been incorporated for this purpose. We are also at the advanced stage for a JV with Rafael Advanced Defence Systems of Israel.

Reliance Defence and Engineering Limited (RDEL) has been selected by the US Navy for repair and maintenance work of its 7th Fleet. With this milestone, RDEL has achieved the distinction of being the only shipyard in India qualified for complex repair and alteration of US Naval Ships. RDEL won multiple contracts for supply of new vessels to the Indian Coast Guard and maintenance / upgrade of Indian Navy warships.

We have entered into strategic partnerships with LIG Nex1 of South Korea, Strata of UAE, DCNS and Thales of France and many other companies across the globe to address market opportunities worth more than ₹ 1,00,000 crore over the next 5-10 years. Having established ourselves in the Naval and Aerospace domain, we would be focusing on Land Systems opportunities in 2017-18.

**Corporate Governance**


Our Company has always maintained the highest governance standards and practices by adopting, as is the norm for all constituent companies of the Group, the "Reliance Group – Corporate Governance Policies and Code of Conduct". These Policies and Code prescribe a set of systems, processes and principles, which conform to the highest international standards and are reviewed periodically to ensure their continuing relevance, effectiveness and responsiveness to the needs of investors, both local and global, and all other stakeholders.

**Social Commitments**

The Company continued to contribute actively to community welfare activities and took up several initiatives and measures related to education and healthcare. As a responsible corporate, the Company continued to undertake several initiatives to make a positive economic, social and environmental impact in the neighborhood of our power stations and other business units.

**Our Commitment**

Our founder, the legendary Padma Vibhushan Shri Dhirubhai Ambani always emphasized the entrepreneurial principles of quality with quantity, efficiency with equity, enterprise with excellence for improving the quality of life of Indians. We remain committed to upholding his vision and aim at creating even greater value for all our stakeholders.



**Anil Dhirubhai Ambani**  
Chairman



## Notice

Notice is hereby given that the 88<sup>th</sup> Annual General Meeting of the Members of **Reliance Infrastructure Limited** will be held on Tuesday, September 26, 2017 at 12.00 noon or soon after the conclusion of the Annual General Meeting of Reliance Capital Limited convened on the same day, whichever is later, at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020, to transact the following business:

### Ordinary Business:

1. To consider and adopt:
  - (a) the audited financial statement of the Company for the financial year ended March 31, 2017 and the reports of the Board of Directors and Auditors thereon, and
  - (b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2017 and the report of the Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Shri S Seth (DIN:00004631), who retires by rotation under the provisions of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
4. To ratify the appointment of the Auditors in this regard, to consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as 'the Act') (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the relevant Rules there under, as amended from time to time, the appointment of M/s. Pathak H.D. & Associates, Chartered Accountants (Firm Registration No. 107783W) who have been appointed as the Auditors to hold office from the conclusion of the 87<sup>th</sup> Annual General Meeting for a term of four consecutive years till the conclusion of the 91<sup>st</sup> Annual General Meeting, and who have confirmed their eligibility for the appointment pursuant to Section 141 of the Act, as Statutory Auditors of the Company be and is hereby ratified."

5. To appoint Auditors and to fix their remuneration and in this regard to consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as 'the Act') (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the relevant Rules there under, as amended from time to time, M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022), who have confirmed their eligibility for the appointment pursuant to Section 141 of the Act, as Statutory Auditors of the Company be and are hereby appointed as the Statutory Auditors of the Company for a term of five consecutive years, to hold office from the conclusion of this Annual General Meeting until the conclusion of the 93<sup>rd</sup> Annual General Meeting subject to ratification of their appointment by the members at every Annual General Meeting held after this Annual General Meeting, until the 93<sup>rd</sup> Annual General Meeting on such remuneration as may be fixed by the Board of Directors."

### Special Business:

6. **Private placement of Non Convertible Debentures (NCDs)**

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 42, 71 and all other applicable provisions, if any, of the Companies Act, 2013 ('hereinafter referred to as the Act'), (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the relevant Rules made there under, as amended from time to time, the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, the provisions contained in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, to the extent they are applicable, and/or any other Rules/ Regulations/ Guidelines, if any, prescribed by the Securities and Exchange Board of India, Reserve Bank of India, Stock Exchanges and/ or any other statutory/ regulatory authority/ body and subject to the provisions of the Memorandum and Articles of Association of the Company, the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute, to exercise its powers including the powers conferred by this Resolution), be and is hereby authorised to create, offer, invite to subscribe, issue and allot, from time to time, in one or more tranches and/or in one or more series, Secured/ Unsecured/ Redeemable Non-Convertible Debentures (hereinafter referred to as the "NCDs") on private placement basis, provided that the aggregate amount of such NCDs shall be within the overall borrowing limits of the Company, as approved by the Members from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to determine in its absolute discretion the terms and quantum of the issue(s) including the consideration and utilisation of proceeds, class of investors and to do all such acts and things and deal with all such matters and take all such steps as may be necessary to give effect to this resolution."

7. **Remuneration to Cost Auditors**

To consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) ('hereinafter referred to as the Act') and the relevant Rules there under, as amended from time to time, M/s V J Talati & Company, Cost Accountants (Firm Registration Number R/000213), be appointed as the Cost Auditors of the Company for audit of the cost accounting records of the Company for the financial year ending March 31, 2018, be paid a remuneration of ₹ 3.50 lakh (Rupees three lakh fifty thousand only) excluding service tax and out of pocket expenses, if any.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts

## Notice

and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board of Directors

Ramesh Shenoy  
Company Secretary

Registered Office:

H Block, 1<sup>st</sup> Floor

Dhirubhai Ambani Knowledge City

Navi Mumbai 400 710

CIN : L75100MH1929PLC001530

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

April 15, 2017

### Notes :

1. Statement pursuant to Section 102(1) of the Companies Act, 2013 (the 'Act'), relating to the special business to be transacted at the Annual General Meeting (the "Meeting") is annexed hereto.
2. **A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on a poll, instead of self and the proxy need not be a member of the Company. The instrument appointing the Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before commencement of the Meeting. A Proxy form is sent herewith.**
3. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten per cent of the total share capital of the Company carrying voting rights. However, a Member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other shareholder. The holder of proxy shall prove his identity at the time of attending the meeting.
4. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company, a duly certified copy of the board resolution authorising their representative(s) to attend and vote on their behalf at the Meeting.
5. Members/Proxies are requested to bring their duly filled attendance slip sent herewith along with their copy of the annual report to the Meeting.
6. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Members who hold shares in electronic form are requested to write their DP ID and Client ID numbers and those who hold shares in physical form are requested to write their folio numbers in the attendance slips for attending the Meeting to facilitate identification of membership at the Meeting.
8. Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays between 11.00 A.M. and 1.00 P.M. up to the date of the meeting. The aforesaid documents will also be available for inspection by members at the Meeting.
9. a. The Company's Register of Members and Transfer Books will remain closed from Saturday, September 16, 2017 to Tuesday, September 26, 2017 (both days inclusive) for the purpose of Annual General

Meeting and for determining the names of members eligible for dividend, if declared, on equity shares for the year ended March 31, 2017.

- b. The dividend on equity shares as recommended by the Board of Directors, if declared at the meeting, will be paid after the Meeting to:
  - i. all those equity shareholders, whose names appear in the Register of Members as on September 15, 2017, and
  - ii. those whose names appear as beneficial owners as on September 15, 2017, as furnished by the National Securities Depository Limited and Central Depository Services (India) Limited for the purpose.
- c. Members may please note that the dividend warrants shall be payable at par at the designated branches of the Bank for an initial period of three months only. Thereafter, the dividend warrants on revalidation shall be payable only at limited centres/branches of the said Bank. Members are therefore, requested to encash dividend warrants within the initial validity period.
10. Members may please note that for shares in electronic form, bank particulars registered against their depository accounts will be used by the Company for payment of dividend. Members are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. The Company or its Registrar and Transfer Agent cannot change bank particulars or bank mandates for shares held in electronic form.
11. Members holding shares in physical form are requested to advise any change of address or bank mandates immediately to the Company/Registrar and Transfer Agent, Karvy Computershare Private Limited.
12. Non-Resident Indian members are requested to inform Karvy Computershare Private Limited immediately on:
  - a. the change in the residential status on return to India for permanent settlement; and
  - b. the particulars of the bank account(s) maintained in India with complete name, branch, account type, account number and address of the bank, if not furnished earlier.
13. Re-appointment of Director:  
At the ensuing Annual General Meeting, Shri S Seth, Director of the Company shall retire by rotation under the provisions of the Act and being eligible, offers himself for re-appointment. The details pertaining to Shri S Seth pursuant to the requirements of Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (the Listing Regulations) are furnished in the Corporate Governance Report forming part of this Annual Report.
14. Members are advised to refer to the section titled "Investor Information" provided in this Annual Report.
15. Members are requested to fill in and submit online the Feedback Form provided in the 'Investor Relations' section on the Company's website [www.rinfra.com](http://www.rinfra.com) to aid the Company in its constant endeavour to enhance the standards of service to investors.
16. The Statement containing the salient features of the balance sheet, the statement of profit and loss and auditors' report on the abridged financial statement, is sent to the members, along with the Abridged Consolidated Financial Statements. Any member interested in obtaining a copy of the full Annual Report, may write to the Registrar and Transfer Agent of the Company.

## Notice

17. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrar and Transfer Agent.
18. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Act. Members desiring to avail this facility may send their nomination in the prescribed Form SH13 duly filled in to Karvy Computershare Private Limited.  
  
The prescribed form in this regard may also be obtained from Karvy Computershare Private Limited at the address mentioned above. Members holding shares in electronic form are requested to contact their Depository Participant directly for recording their nomination.
19. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Registrar and Transfer Agent for consolidation into a single folio.
20. Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses so that they can receive the Annual Report and other communication from the Company electronically.
21. In compliance with the provisions of Section 108 of the Act, read with rules made thereunder and Regulation 44 of the Listing Regulations, the Company is offering e-voting facility to all members of the Company through Notice dated April 15, 2017 (remote e-voting). A person, whose name is recorded in the register of members or in the register of beneficial owner (in case of electronic shareholding) maintained by the depositories as on the cut off date i.e. Tuesday, September 19, 2017 only shall be entitled to avail the facility of remote e-voting/ voting. Karvy Computershare Private Limited, Registrar and Transfer Agents will be facilitating remote e-voting to enable the members to cast their votes electronically. The members can cast their vote online from 10.00 A.M. on September 22, 2017 to 5.00 P.M. on September 25, 2017. Members may refer to the detailed procedure on remote e-voting given in the e-voting instruction slip.
22. The facility for voting shall also be available at the meeting. The members who have cast their votes by remote e-voting prior to the meeting may also attend the meeting, but shall not be entitled to cast their votes again at the meeting.
23. The Board of Directors have appointed Shri Anil Lohia or in his absence Shri Rinkit Kiran Uchat, Partners, M/s. Dayal & Lohia, Chartered Accountants as Scrutinizers to scrutinize the voting process in a fair and transparent manner. The Scrutinizer will submit his report to the Chairman/Vice Chairman/Director after completion of the scrutiny and the results of voting will be announced after the meeting of the Company.

Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the meeting. The result of the voting will be submitted to the Stock Exchanges, where the shares of the Company are listed and posted on the website of the Company at [www.rinfra.com](http://www.rinfra.com) and also posted on the website of the Registrar and Transfer Agent, Karvy Computershare Private Limited at [www.karvy.com](http://www.karvy.com)

### **Statement pursuant to Section 102(1) of the Companies Act, 2013 to the accompanying notice dated April 15, 2017.**

#### **Item No. 6: Private placement of Non Convertible Debentures (NCDs)**

As per the provisions of Section 42 of the Companies Act, 2013 ("the Act") read with the Rules made there under, a Company offering or making an invitation to subscribe to Non-Convertible Debentures (NCDs) on a private placement basis is required to obtain the prior approval of the Members by way of a Special Resolution. The Act provides that such approval can be obtained once in a year for all the offers or invitations for NCDs to be issued during the year.

NCDs including subordinated debentures, bonds, and/or other debt securities, etc., issued on a private placement basis constitute a significant source of borrowings for the Company.

It is proposed to offer or invite subscriptions for NCDs including subordinated debentures, bonds, and/or other debt securities, etc., on private placement basis, in one or more tranches, within the overall borrowing limits of the Company, as may be approved by the Members from time to time, with authority to the Board to determine the terms and conditions, including the issue price of the NCDs, interest, repayment, security or otherwise, as it may deem expedient and to do all such acts, deeds, matters and things in connection therewith and incidental thereto as the Board in its absolute discretion deems fit, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of the Resolution. Accordingly, the approval of the Members is being sought by way of a Special Resolution under Section 42 and other applicable provisions, if any, of the Act and its Rules thereunder as set out in Item No. 6 appended to this notice.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in this resolution, except to the extent of their shareholding in the Company, if any.

The Board recommends the Special Resolution set out at Item No. 6 of the accompanying Notice for approval of the Members.

#### **Item No. 7: Payment of Remuneration to the Cost Auditors for the financial year ending March 31, 2018**

The Board of Directors on the recommendation of the Audit Committee has approved the appointment and remuneration of M/s. V.J.Talati & Co., Cost Accountants (Firm Registration No. R/000213), as the Cost Auditors for audit of the cost accounting records of the Company for the financial year ending March 31, 2018, at a remuneration of ₹ 3.50 lakh (Rupees three lakh fifty thousand only) excluding service tax and out-of-pocket expenses.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, remuneration payable to the Cost Auditor is required to be ratified by the members of the Company.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way concerned or interested financially or otherwise in this resolution set out at Item no. 7 of the Notice.

The Board accordingly recommends the Ordinary Resolution set out at Item No. 7 of the accompanying Notice for approval of the Members.

By Order of the Board of Directors

Ramesh Shenoy  
Company Secretary

Registered Office:  
H Block, 1<sup>st</sup> Floor  
Dhirubhai Ambani Knowledge City  
Navi Mumbai 400 710  
CIN : L75100MH1929PLC001530  
Website: [www.rinfra.com](http://www.rinfra.com)  
April 15, 2017

**Directors' Report**

Dear Shareowners,

Your Directors present the 88<sup>th</sup> Annual Report and the audited financial statements for the financial year ended March 31, 2017.

**Financial Performance and state of Company's affairs.**

The standalone financial performance of the Company for the year ended March 31, 2017 is summarised below;

Particulars	Financial year ended March 31, 2017		* Financial year ended March 31, 2016	
	₹ in crore	** US \$ Million	₹ in crore	** US \$ Million
Total Income	11,760	1813	12,293	1,855
Gross Profit before depreciation	2,135	329	2,100	317
Depreciation	930	143	903	136
Profit before taxation	1,205	186	1,197	181
Tax expenses (Net) (including deferred tax and tax for earlier years)	(84)	(13)	203	31
Profit after taxation	1289	199	994	150
Balance of profit brought forward from previous year	(441)	(68)	487	73
Other comprehensive income recognised directly in retained earnings	(24)	(4)	(27)	(4)
Add: Transfer on Scheme of Amalgamation	6	1	--	--
Profit available for appropriations	830	128	1,454	219
Dividend on equity shares (including tax on dividend) (Net)	251	39	253	38
Transfer to General Reserve	--	--	1,400	211
Transfer to Debenture Redemption Reserve	200	31	242	37
Balance carried to Balance Sheet	379	58	(441)	(67)

\*Figures of previous year have been regrouped and reclassified wherever required.

@\*\* ₹ 64.8500= US \$ 1 Exchange rate as on March 31, 2017 (₹ 66.255 = US \$ 1 Exchange rate as on March 31, 2016)

**Financial Performance**

During the year under review, your Company earned an income of ₹ 11,760 crore against ₹ 12,293 crore in the previous year. The Company earned a profit after tax of ₹ 1,289 crore for the year as compared to restated profit of ₹ 994 crore in the previous year. The financial statements for the current financial year were prepared on the basis of Indian Accounting Standards and the previous year figures have been regrouped accordingly.

The performance and financial position of the subsidiary companies and associate companies are included in the consolidated financial statement of the Company and presented in the Management Discussion and Analysis forming part of this Annual Report.

**Dividend**

Your Directors have recommended a dividend of ₹ 9.00 per equity share (Previous year ₹ 8.50 per equity share) aggregating to ₹ 284.87 crore (inclusive of dividend distribution tax) for the financial year 2016-17 which, if approved at the ensuing 88<sup>th</sup> Annual General Meeting (AGM), will be paid to (i) all those equity shareholders whose names appear in the Register of Members as on September 15, 2017 and (ii) to those members whose names appear as beneficial owners as on September 15, 2017 as furnished by National Securities Depository Limited and Central Depository Services (India) Limited for the purpose.

The Dividend payout as proposed is in accordance with the Company's Dividend Distribution Policy to pay sustainable dividend linked to long term performance, keeping in view the capital needs for the Company's growth plans and the need to achieve optimal financing of such plans through internal accruals. The Company's Dividend Distribution Policy forms part of this Annual Report.

**Business Operations**

The Company is in the business of generation, transmission and distribution of electricity. The Company is the leading player in the country in the Engineering, Procurement and Construction (EPC) segment of the power and infrastructure sectors. The Company is also engaged in implementation, operation and maintenance of several projects in defence sector and infrastructural areas through its special purpose vehicles.

**Divestment of Business**
**i. Cement Business**

During the year under review, the Company has successfully monetized its investments in cement business and has completed the sale of its cement business to Birla Corporation Limited.

**ii. Transmission Business**

The Company owns the country's first 100% private sector transmission project – WRSSS B & C projects located in the State of Maharashtra, Gujarat, Madhya Pradesh and

Karnataka. The Company also owns 74 per cent equity capital of Parbati Koldam Transmission Company Limited (PKTCL) which has constituted and now operates and maintains transmission network of the Parbati Koldam Transmission Project located in the State of Himachal Pradesh and Punjab in joint venture with Power Grid Corporation of India Limited (PGCIL). All three transmission projects have been completed and are revenue generating.

The Company has been pursuing its plan to monetize investments made in these transmission Companies and has signed Share Purchase Agreement (SPA) with Adani Transmission Limited (ATL) for 100 per cent of equity stake sale of its Western Region System Strengthening Scheme (WRSSS) Transmission Assets. A Share Purchase Agreement (SPA) for Parbati Koldam Transmission Company Limited (PKTCL) shall be executed upon receipt of statutory approvals from appropriate authorities. Under this transaction, ATL will acquire 100% ownership in WRSSS B & C and 74% ownership in PKTCL. The transactions are subject to applicable regulatory approvals.

### Scheme of Amalgamation & Arrangement

#### i. Reliance Concrete Private Limited with the Company

The Board of Directors at its meeting held on February 08, 2016 approved the Scheme of Amalgamation of the step down subsidiary i.e. Reliance Concrete Private Limited ('RCPL') with the Company ("the Scheme"), with effect from the Appointed Date, March 1, 2016. The Scheme had been approved by the Hon'ble High Court of Bombay on September 8, 2016. The Scheme has become effective pursuant to RCPL and the Company filing the Order with the Registrar of Companies, Maharashtra, Mumbai on October 20, 2016.

#### ii. Reliance Electric Generation and Supply Limited

The Board of Directors at its meeting held on March 16, 2016 had approved the Scheme of Arrangement ("the Scheme") for transfer of the Company's Mumbai Power Generation, Transmission and Distribution Division, Samalkot Power Station Division, Goa Power Station Division and Windmill Division on a going concern basis ("the Scheme"). The Scheme had been approved by the Hon'ble High Court of Bombay on January 19, 2017. In terms of the High Court Order, the Scheme shall not be effective until consents/approvals are received from the lenders and regulatory authorities.

### Reliance Infrastructure InvIT Fund

The Company has set up an Infrastructure Investment Trust, Reliance Infrastructure InvIT Fund (the Trust) which is registered with Securities and Exchange Board of India (SEBI) under the SEBI (Infrastructure Investment Trusts) Regulations, 2014 as amended (the InvIT Regulations). The Trust would hold assets of completed toll road projects of the Company. The Company is the Sponsor and Project Manager of the Trust and Reliance Nippon Life Asset Management Limited is the Investment Manager (the Investment Manager) to the Trust. The Investment Manager has filed the draft offer document with SEBI for initial public offer of the units representing an undivided beneficial interest in the Trust. The final

issue size and retention of oversubscription, if any, will be decided by the Investment Manager in consultation with the global co-ordinators and book running lead managers to the Issue.

### Management Discussion and Analysis

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

### Issue of Non-Convertible Debentures

During the year under review, the Company has not made any fresh issue of Non Convertible Debentures.

### Fixed Deposits

The Company has not accepted deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 ('the Act') and the Companies (Acceptance of Deposits) Rules, 2014.

### Particulars of Investments

Pursuant to Section 186 of the Act, details of the Investments are provided in the standalone financial statement (Please refer to Note No. 7 to the standalone financial statements).

### Subsidiary Companies, Associates and Joint Ventures

During the year under review, BSES Yamuna Power Limited, BSES Rajdhani Power Limited, SU Toll Road Limited, TD Toll Road Limited, TK Toll Road Limited, JR Toll Road Limited, Western Transco Power Limited, Western (Gujarat) Transmission Limited, Dassault Reliance Aerospace Limited and Reliance Rafael Defence Systems Private Limited became subsidiaries of the Company. RPL Photon Private Limited, RPL Sun Power Private Limited and RPL Sun Technique Private Limited became associates of the Company.

The performance and financial position of the major subsidiaries are presented in Management Discussion and Analysis forming part of this Annual Report. Also, a report on the performance and financial position of each of the subsidiaries, associates and joint ventures as per the Act is provided in the consolidated financial statements.

The Policy for determining material subsidiary company, as approved by the Board, may be accessed on the Company's website at the <http://www.rinfra.com/web/rinfra/governing-policies-practices>.

### Financial Statements—Application of Indian Accounting Standards (Ind AS) Rules, 2016

The Ministry of Corporate Affairs (MCA) vide its Notification No. G.S.R. 111(E) dated February 16, 2015, has made the application of the Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS Rules).

The audited financial statements are drawn up, both on standalone and consolidated basis, for the financial year ended March 31, 2017, in accordance with the requirements of the Companies (Indian Accounting Standards (Ind-AS) Rules, 2016 which have been made effective from April 1, 2016.



**Directors' Report**

**Consolidated Financial Statement**

The Audited Consolidated Financial Statement for the financial year ended March 31, 2017, based on the financial statements received from subsidiaries, associates and joint ventures, as approved by their respective Board of Directors, have been prepared in accordance with the requirements of the Companies (Indian Accounting Standards (Ind-AS) Rules, 2016 which have been made effective from April 1, 2016 and the relevant provisions of the Companies Act, 2013.

**Directors**

The Company has received declaration from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under the Act and the Listing Regulations. The details of programme for familiarisation of Independent Directors with the Company, nature of the industry in which the Company operates and related matters are put up on the website of the Company at the link [http://www.rinfra.com/pdf/Familiarisation\\_programme.pdf](http://www.rinfra.com/pdf/Familiarisation_programme.pdf).

In terms of the provisions of the Act, Shri S Seth, Director of the Company retires by rotation and being eligible offers himself for re-appointment at the ensuing Annual General Meeting.

A brief resume of Shri S Seth alongwith requisite details as stipulated under Regulation 36(3) of the Listing Regulations, is given in the section on Corporate Governance Report forming part of this Annual Report

**Key Managerial Personnel**

Shri Madhukar Moolwaney, Chief Financial Officer, superannuated from the service of the Company on June 4, 2016. Shri Sridhar Narasimhan was appointed as Chief Financial Officer of the Company from June 4, 2016.

**Evaluation of Directors, Board and Committees**

The Company has devised a policy for performance evaluation of the individual director, Board and its Committee, which includes criteria for performance evaluation.

Pursuant to the provisions of the Act and Regulation 17 (10) of the Listing Regulations, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of the committees of the Board. The performance of the Board was evaluated based on inputs received from all the Directors after considering criteria such as Board composition and structure, effectiveness of Board/Committee processes and information provided to the Board, etc.

A separate meeting of the Independent Directors was also held during the year for the evaluation of the performance of non-independent Directors and the Board as a whole and that of the Chairman.

The Nomination and Remuneration Committee has also reviewed the performance of individual directors based on their knowledge, level of preparation and effective participation in Meetings, understanding of their roles as directors, etc.

**Policy on appointment and remuneration of Directors, Key Managerial Personnel and Senior Management**

The Nomination and Remuneration Committee of the Board has devised a policy for selection, appointment and remuneration of directors and senior management. The Committee has

formulated the criteria for determining qualifications, positive attributes and independence of Directors, which has been put up on the Company's website. Further, the Committee has also devised a policy relating to remuneration for Key Managerial Personnel and senior management employees. The policy on the above is attached hereto as Annexure A.

**Directors' Responsibility Statement**

Pursuant to the requirements under Section 134(5) of the Act with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- i. In the preparation of the annual financial statements for the financial year ended March 31, 2017, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- ii. The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 and of the profit of the Company for the year ended on that date;
- iii. The directors had taken proper and sufficient care for the 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 fraud and other irregularities;
- iv. The directors had prepared the annual financial statement for the financial year ended March 31, 2017, on a going concern basis;
- v. The directors had laid down proper internal financial controls to be followed by the Company and such financial controls are adequate and were operating effectively; and
- vi. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**Contracts and Arrangements with Related Parties**

All contracts/arrangements/transactions entered into by the Company during the financial year under review with related parties were at arm's length and in the ordinary course of business. There were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons, which may have potential conflict with the interest of the Company at large.

All Related Party Transactions were placed before the Audit Committee for approval. Omnibus approval of the Audit Committee was obtained for the transactions which were of a repetitive nature. The transactions entered into pursuant to the omnibus approval so granted were reviewed and statements giving details of all related party transactions were placed before the Audit Committee for its approval on a quarterly basis. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at the link: [http://www.rinfra.com/web/rinfra/corporate-governance\\_policies](http://www.rinfra.com/web/rinfra/corporate-governance_policies) Your Directors draw attention of the members to note 36 to the financial statement which sets out related party disclosures.

## Directors' Report

### Material Changes and Commitments if any, affecting the financial position of the Company

There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of their report.

### Meetings of the Board

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year, seven Board Meetings were held, details of which are given in the Corporate Governance Report.

### Audit Committee

Shri S S Kohli, an Independent Director is the Chairman of Audit Committee. Shri K Ravikumar, Shri V R Galkar and Ms. Ryna Karani (Independent Directors) and Shri Shiv Prabhat (Non-Independent Director) are other members of Audit Committee. During the year, all the recommendations made by the Audit Committee were accepted by the Board.

### Auditors and Auditor's Report

M/s. Pathak H. D. & Associates, Chartered Accountants, were appointed as statutory auditors of the Company to hold office until the conclusion of the 91<sup>st</sup> Annual General Meeting of the Company. In terms of Section 139 (1) of the Act their appointment is placed for ratification of the members at the ensuing Annual General meeting of the Company.

In terms of Section 139 of the Companies Act, 2013 the tenure of M/s. Haribhakti & Co. LLP, Chartered Accountants as Auditors of the Company expires at the ensuing Annual General Meeting and it is proposed to appoint Auditors in place of M/s. Haribhakti & Co. LLP, Chartered Accountants. The Company has received letters from M/s. B S R & Co. LLP, Chartered Accountants to the effect that their appointment, if made, would be within the prescribed limits under Section 141 (3) of the Act, and that they are not disqualified from appointment as statutory auditors of the Company.

The observations and comments given by the Auditors in their report read together with notes on financial statements are self explanatory and hence do not call for any further comments under Section 134 of the Act.

### Cost Auditors

Pursuant to the provisions of the Act and the Companies (Audit and Auditors) Rules, 2014, the Board of Directors have appointed V J Talati & Co ,Cost Accountants, as the Cost Auditors of the Company for conducting the cost audit of Power Generation, Transmission, Distribution Divisions and the Engineering, Procurement and Construction Division of the Company for the financial year ending March 31, 2018, and their remuneration is subject to ratification by the members at the ensuing Annual General Meeting of the Company.

### Secretarial Audit

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company appointed M/s. Ashita Kaul & Associates, Company Secretaries in Practice to undertake the Secretarial Audit of the Company. There is no qualification, reservation or adverse remark made by the Secretarial Auditor in the Secretarial Audit Report. The Audit Report of the Secretarial Auditor is attached hereto as Annexure B.

### Extract of Annual Return

Extract of the Annual Return of the Company in form MGT-9 is attached hereto as Annexure C.

### Employees Stock Option Scheme

The Members of the Company had through Postal Ballot approved on January 8, 2007, the issue of securities under Employee Stock Option Scheme to the employees of the Company as well as employees of the subsidiary companies. However, the Company has not granted any stock options to the employees of the Company or to the employees of the subsidiary companies of the Company. The Company has constituted the Employees Stock Option Scheme Compensation Committee to review the Scheme from time to time.

### Particulars of Employees and related disclosures

In terms of the provisions of Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are provided in the Annexure to the Directors' Report. Having regards to the provisions of Section 136 of the Act, the Annual Report, excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. However, the said information is available for inspection at the registered office of the Company on all working days, except Saturdays, between 11.00 a.m. and 1.00 p.m. up to the date of the meeting and any member interested in obtaining the same may write to the Company Secretary. Upon such request, the information shall be furnished.

Disclosures relating to the remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in Annexure D.

### Conservation of energy, technology absorption and foreign exchange earnings and outgo

Information in accordance with the provisions of Section 134(3) (m) of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014 regarding conservation of energy and technology absorption are given in Annexure E and forms part of this Report.

### Corporate Governance

The Company has adopted the "Reliance Group-Corporate Governance Policies and Code of Conduct" which has set out the systems, processes and policies conforming to international standards. The report on Corporate Governance as stipulated under Regulation 34 (3) of the Listing Regulations forms part of this Annual Report.

A certificate from the Auditors of the Company, M/s. Pathak H. D. & Associates, Chartered Accountants and M/s. Haribhakti & Co. LLP, Chartered Accountants confirming compliance with conditions of Corporate Governance as stipulated under Para E of Schedule V of the Listing Regulations is enclosed to this Report.

### Vigil Mechanism

In accordance with Section 177 of the Act and the Listing Regulations, the Company has formulated a Vigil Mechanism to address the genuine concern, if any of the directors and employees. The details of the same have been stated in the report on Corporate Governance and the policy can also be

## Directors' Report

accessed on the Company's website at the link <http://www.rinfra.com/web/rinfra/corporate-governance-policies>.

### Risk Management

The Board of the Company has constituted a Risk Management Committee. The Committee consists of majority of independent directors and also senior managerial personnel. The details of the Committee are set out in the Corporate Governance Report forming part of this Report.

The Company has a robust Business Risk Management framework to identify and evaluate business risks and opportunities. This framework seeks to create transparency, minimise adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. The framework has different risk models which help in identifying risks trend, exposure and potential impact analysis at the Company level as also separately for business segments.

### Compliance with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company is committed to upholding and maintaining the dignity of women employees and it has in place a policy which provides for protection against sexual harassment of women at work place and for prevention and redressal of such complaints. During the year, no such complaints were received.

### Corporate Social Responsibility

The Company has constituted a Corporate Social Responsibility Committee (CSR) in compliance with the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR Committee consists of Ms Ryna Karani as Chairperson, Shri S S Kohli, Dr. V.K. Chaturvedi and Shri K Ravikumar as members. The CSR has formulated a Corporate Social Responsibility Policy (CSR policy) indicating the activities to be undertaken by the Company. The CSR policy may be accessed on the Company's website at the link: <http://www.rinfra.com/web/rinfra/corporate-governance-policies>

The disclosure with respect to CSR activities forming part of this Report is given as Annexure F.

### Order, if any, passed by the regulator or courts or tribunals.

No orders have been passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations.

### Internal Financial Controls and their adequacy

The Company has in place adequate internal financial controls with reference to financial statement, across the organization. The same is subject to review periodically by the internal audit cell for its effectiveness. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

### Business Responsibility Statement

Business Responsibility Report for the year under review as stipulated under listing regulations is presented under separate section forming part of this Annual Report.

### Acknowledgements

Your Directors would like to express their sincere appreciation for the co-operation and assistance received from shareholders, debentureholders, debenture trustees, bankers, financial institutions, government authorities, regulatory bodies and other business constituents during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff of the Company, resulting in the satisfactory performance of the Company during the year.

**For and on behalf of the Board of Directors**

**Anil Dhirubhai Ambani**  
Chairman

Mumbai  
April 15, 2017



### Policy on Directors, Key Managerial Personnel and Senior Management Appointment and Remuneration

#### 1.1 Objective

#### 1.2 The remuneration policy aims at achieving the following specific objectives:

- 1.2.1 To attract highly competent talent to sustain and grow the Company's business;
- 1.2.2 To build a high performance culture by aligning individual performance with business objectives and infusing performance differentiation.
- 1.2.3 To motivate and retain high performers and critical talent at all levels

#### 2.1 Scope and Coverage

#### 2.2 Remuneration policy covers Directors, Key Managerial Personnel (KMPs) and on-roll employees of Reliance Infrastructure Limited and its Subsidiaries/Special Purpose Vehicles (SPVs), who are categorized into Top Management Cadre (TMC) and Senior Management Cadre (SMC).

#### 3.1 Policy

#### 3.2 Non-Executive Directors:

The Non executive directors shall be paid sitting fees for attending the meetings of the Board and of the Committees of which they may be members, and commission within regulatory limits approved by the shareholders. The commission for respective financial year to be recommended by the Nomination and Remuneration Committee and approved by the Board

#### 3.3 Key Managerial Personnel and Senior Management

- 3.3.1 Remuneration i.e. Cost-to-Company (CTC) consists of two broad components; Fixed and Variable.
- 3.3.2 Fixed portion comprises Base pay and Choice pay components.
- 3.3.3 Base Pay includes Basic Pay and Contribution towards Retiral Benefits.
- 3.3.4 Choice Pay includes basket of allowances, which executive has the flexibility to choose from, based on his individual needs and tax planning.
- 3.3.5 Variable pay termed as Performance Linked Incentive (PLI) comprises a pre- determined amount, the payout of which is based on the composite score achieved by Individual and Business during the relevant performance year.

3.3.6 Annual Increment is linked to individual performance ratings and is also guided by business performance, macro-economic indicators, industry /business outlook, etc.

3.3.7 Individual and Business performance is assessed through a robust annual performance appraisal process, the key features of which are as follows:

- Formulation of well articulated Business-wise AOP
- Setting of Individual KRAs and KPIs in alignment with Business AOP
- Online process for goal setting, self evaluation and assessment by managers
- Normalisation of individual ratings as per prescribed norms; and
- Business Performance evaluation with higher emphasis on achievement against key financial and project completion parameters.

#### 4.1 Retention Features as part of Compensation Package

4.1.1 Based on the organizational need for retaining high performing/critical executives, certain retention features may be rolled out from time to time as part of the overall compensation package. These may take form of Retention Bonuses (RBs); Special Monetary Programs (SMPs), Long-term Incentives (LTIs), etc.

4.1.2 While attracting talent in critical positions also such retention features could be incorporated as part of the compensation package.

#### 5.1 Modification/Amendment:

5.1.1 This policy shall be reviewed periodically based on benchmarking/business requirement/industry relevance.

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
Reliance Infrastructure Limited  
H Block, 1<sup>st</sup> Floor,  
Dhirubhai Ambani Knowledge City,  
Navi Mumbai – 400 710

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Reliance Infrastructure 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 our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorised 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 March 31, 2017 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has generally followed Board-processes and required 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 **Reliance Infrastructure Limited** for the financial year ended on March 31, 2017 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-law framed hereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India, 1992 ('SEBI Act');
  - (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; (Not Applicable to the Company during the Audit Period)
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not Applicable to the Company during the Audit Period)
- (e) The Securities and Exchange Board of India ( Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registration to an Issue and Share Transfers Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not Applicable to the Company during the Audit Period)
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the Audit Period)
- (h) The Securities and Exchange Board of India (Buyback of Securities ) Regulations, 1998 (Not Applicable to the Company during the Audit Period)

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

- I. The Secretarial Standards issued by the Institute of Company Secretaries of India for General Meeting, Board and Committee meeting (i.e. Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee); and
- II. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations 2015 and Listing Agreements entered into by the Company with BSE Limited, National Stock Exchange of India Limited and London Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, as applicable.

**We further report that**, having regard to the compliances system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with following law applicable specifically to the company:

Electricity Act, 2003 and amendments made hereunder

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors

# Reliance Infrastructure Limited

## Directors' Report

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 clarification on the agenda items before the meeting and for meaningful participation at the meeting.

The decisions at Board Meetings and Committee Meetings are carried out and recorded in the minutes of meetings of the Board of Directors and Committee of the Board accordingly.

**We 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.

**We further report that,** during the audit period following Special Resolutions were passed pursuant of the above referred laws, rules, regulations and guidelines as applicable:

- i. Private placement of Non-Convertible Debentures and/or other Debt Securities;
- ii. Issue of Securities to the Qualified Institutional Buyers pursuant to Section 62(1)(c) of the Companies Act, 2013;
- iii. Alteration in the Main Objects Clause of the Memorandum of Association of the Company;
- iv. To adopt new Articles of Association of the Company; and
- v. Selling or disposing of assets/undertaking(s) of the Company and / or creation of security.

**For Ashita Kaul & Associates  
Company Secretaries**

**Date : April 15, 2017  
Place : Mumbai**

**Proprietor  
FCS 6988/ CP 6529**

FORM NO. MGT.9

EXTRACT OF ANNUAL RETURN

as at the financial year ended on March 31, 2017

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

I. Registration and other details

i)	CIN	L75100MH1929PLC001530
ii)	Registration Date	October 1, 1929
iii)	Name of the Company	Reliance Infrastructure Limited
iv)	Category/Sub-Category of the Company	Public Company/Limited by Shares
v)	Address of the Registered Office and contact details	H Block, 1 <sup>st</sup> Floor Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710 Tel : +91 22 3303 1000 Fax : +91 22 3303 3664 Email : rinfra.investor@relianceada.com Website : www.rinfra.com
vi)	Whether listed company	Yes
vii)	Name, address and contact details of Registrar and Transfer Agent, if any	Karvy Computershare Private Limited (Unit: Reliance Infrastructure Limited) Karvy Selenium, Tower – B, Plot No. 31 & 32 Survey No. 116/22, 115/24, 115/25 Financial District, Nanakramguda Hyderabad 500 032, Tel. : +91 40 6716 1500 Fax : +91 40 6716 1791 Toll Free No. 1800 4250 999 E-mail : rinfra@karvy.com

II. Principal Business Activities of the Company

All the Business Activities contributing 10 percent or more of the total turnover of the Company shall be stated:

Name and Description of main Products/Services	NIC Code of the Product/Service	Per cent to total turnover of the Company
Power Business	351	83 per cent
EPC and Contract Business	422	17 per cent

III. Particulars of Holding, Subsidiary and Associate Companies

Sr. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Reliance Defence Limited 502, Plot No 91/94, Prabhat Colony, Santa Cruz (East), Mumbai 400 055	U74999MH2015PLC263178	Subsidiary	100	2(87)(ii)
2	NK Toll Road Limited H Block, 1 <sup>st</sup> Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U67190MH2005PLC154359	Subsidiary	100	2(87)(ii)
3	DS Toll Road Limited H Block, 1 <sup>st</sup> Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U23300MH2005PLC154360	Subsidiary	100	2(87)(ii)
4	GF Toll Road Private Limited H Block, 1 <sup>st</sup> Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U74990MH2008PTC189112	Subsidiary	100	2(87)(ii)
5	HK Toll Road Private Limited H Block, 1 <sup>st</sup> Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U45203MH2010PTC203370	Subsidiary	100	2(87)(ii)
6	KM Toll Road Private Limited H Block, 1 <sup>st</sup> Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U45203MH2010PTC199705	Subsidiary	100	2(87)(ii)
7	PS Toll Road Private Limited H Block, 1 <sup>st</sup> Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U45203MH2010PTC199879	Subsidiary	74	2(87)(ii)
8	DA Toll Road Private Limited H Block, 1 <sup>st</sup> Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U45203MH2010PTC203502	Subsidiary	100	2(87)(ii)

# Reliance Infrastructure Limited

## Directors' Report

Sr. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
9	SU Toll Road Private Limited H Block, 1 <sup>st</sup> Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U74999MH2007PTC169145	Subsidiary	100	2(87)(ii)
10	TD Toll Road Private Limited H Block, 1 <sup>st</sup> Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U45400MH2007PTC169141	Subsidiary	100	2(87)(ii)
11	TK Toll Road Private Limited H Block, 1 <sup>st</sup> Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U45203MH2007PTC169208	Subsidiary	100	2(87)(ii)
12	JR Toll Road Private Limited H Block, 1 <sup>st</sup> Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U45203MH2009PTC197721	Subsidiary	100	2(87)(ii)
13	BSES Yamuna Power Limited Shakti Kiran Building, Karkarduma, Delhi 110 092	U74899DL2001PLC111525	Subsidiary	51	2(87)(ii)
14	BSES Rajdhani Power Limited BSES Bhawan, Nehru Place, Delhi 110 019	U74899DL2001PLC111527	Subsidiary	51	2(87)(ii)
15	BSES Kerala Power Limited 165 Combined Cycle Power Plant, Udyogmandal P O Kochi, Ernakulam, 683 501	U40105KL1996PLC010257	Subsidiary	100	2(87)(ii)
16	Reliance Electric Generation and Supply Limited H Block, 1 <sup>st</sup> Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U74999MH2008PLC186877	Subsidiary	100	2(87)(ii)
17	Reliance Infra Solution Private Limited 502 Plot no.91/94 Prabhat Colony Santacruz (East) Mumbai 400 055	U45202MH2016PTC280605	Subsidiary	100	2(87)(ii)
18	Reliance Energy Limited H Block, 1 <sup>st</sup> Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U40107MH2015PLC271146	Subsidiary	100	2(87)(ii)
19	Reliance E-Generation and Management Private Limited 502, Plot No 91/94, Prabhat Colony, Santa Cruz (East), Mumbai 400 055	U40103MH2016PTC274871	Subsidiary	100	2(87)(ii)
20	Reliance Energy Trading Limited H Block, 1 <sup>st</sup> Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U40109MH2003PLC141376	Subsidiary	100	2(87)(ii)
21	Reliance Sealink One Private Limited H Block, 1 <sup>st</sup> Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U45205MH2010PTC203499	Subsidiary	90	2(87)(ii)
22	Mumbai Metro One Private Limited Mumbai Metro One Depot, DN Nagar, J.P. Road, 4 Bunglows, , Andheri (West), Mumbai 400 053	U45201MH2006PTC166433	Subsidiary	69	2(87)(ii)
23	CBD Tower Private Limited 6-3-1090/A, Raj Bhavan Road, Camus Capri Apartments, Hyderabad, Telangana	U64203TG2008PTC059255	Subsidiary	89	2(87)(ii)
24	Reliance Smart Cities Limited 502, Plot No.91/94 Prabhat Colony, Santacruz(East) Mumbai 400 055	U74120MH2015PLC266840	Subsidiary	100	2(87)(ii)
25	Parbati Koldam Transmission Company Limited B-9, Qutub Institutional Area, Katwaria sarai New Delhi, Delhi 110 016	U40108DL2002PLC116786	Subsidiary	74	2(87)(ii)
26	Reliance Power Transmission Limited H Block, 1 <sup>st</sup> Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U40109MH2003PLC141375	Subsidiary	100	2(87)(ii)
27	Western Transmission (GUJRAT) Limited 502 Plot no.91/94 Prabhat Colony Santacruz (East) Mumbai 400 055	U40300MH2016PLC288929	Subsidiary	100	2(87)(ii)
28	Western Transco Power Limited 502, Plot No 91/94, Prabhat Colony, Santa Cruz (East), Mumbai 400 055	U40300MH2016PLC288938	Subsidiary	100	2(87)(ii)
29	Talcher II Transmission Company Limited 12 <sup>th</sup> Floor, Tower B, Building No. 10, Dlf Cyber City Phase-2, Gurgaon 122 002	U64203HR2007PLC052110	Step down Subsidiary	100	2(87)(ii)
30	North Karanpura Transmission Company Limited 12 <sup>th</sup> Floor, Tower B, Building No. 10, Dlf Cyber City Phase-2, Gurgaon 122 002	U40101HR2007PLC052109	Step down Subsidiary	100	2(87)(ii)
31	Reliance Cruise And Terminals Limited 502, Plot No 91/94, Prabhat Colony, Santa Cruz (East), Mumbai 400 055	U75210MH2016PLC273310	Subsidiary	100	2(87)(ii)
32	Utility Infrastructure and Works Private Limited H Block, 1 <sup>st</sup> Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U26950MH2010PTC211485	Subsidiary	100	2(87)(ii)
33	Reliance Cement Corporation Private Limited H Block, 1 <sup>st</sup> Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U26940MH2008PTC217838	Subsidiary	100	2(87)(ii)
34	Reliance Airport Developers Private Limited H Block, 1 <sup>st</sup> Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U45309MH2004PTC147532	Subsidiary	100	2(87)(ii)
35	Latur Airport Private Limited H Block, 1 <sup>st</sup> Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U74200MH2009PTC196115	Step down-Subsidiary	100	2(87)(ii)
36	Nanded Airport Private Limited H Block, 1 <sup>st</sup> Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U74200MH2009PTC196116	Step down-Subsidiary	100	2(87)(ii)

**Directors' Report**

Sr. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
37	Yavatmal Airport Private Limited H Block, 1 <sup>st</sup> Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U74200MH2009PTC196118	Step down-Subsidiary	100	2(87)(ii)
38	Baramati Airport Private Limited H Block, 1 <sup>st</sup> Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U74200MH2009PTC196113	Step down-Subsidiary	100	2(87)(ii)
39	Osmanabad Airport Private Limited H Block, 1 <sup>st</sup> Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U74200MH2009PTC196114	Step down-Subsidiary	100	2(87)(ii)
40	Reliance Power Limited H Block, 1 <sup>st</sup> Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	L40101MH1995PLC084687	Associate	43.22	2(6)
41	Metro One Operation Private Limited OCC-RSS Building, DN Nagar, J.P. Road, Andheri(West), Opp. Manish Garden CHS,4 Bunglows, Mumbai 400 053	U60200MH2009PTC190650	Associate	30	2(6)
42	Mumbai Metro Transport Private Limited 502, Plot No.91/94, Prabhat Colony, Santa Cruz (East), Mumbai 400 055	U60222MH2009PTC196739	Associate	48	2(6)
43	Delhi Airport Metro Express Private Limited Reliance Centre, Maharaja Ranjit Singh Marg, New Delhi, Delhi 110 002	U74210DL2008PTC176177	Associate	30	2(6)
44	Reliance Defence and Engineering Limited Pipavav Shipyard Limited Pipavav Port, Post Uchchaya, Via Rajula Rajula 365 560	L35110GJ1997PLC033193	Associate	30.76	2(6)
45	RPL Photon Private Limited H Block, 1 <sup>st</sup> Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U40300MH2010PTC209609	Associate	50	2(6)
46	RPL Sun Power Private Limited H Block, 1 <sup>st</sup> Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U40300MH2010PTC209920	Associate	50	2(6)
47	RPL Sun Technique Private Limited H Block, 1 <sup>st</sup> Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U40300MH2010PTC209919	Associate	50	2(6)
48	Reliance Geothermal Power Private Limited H Block, 1 <sup>st</sup> Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U10101MH2010PTC209925	Associate	25	2(6)
49	Tamil Nadu Industries Captive Power Company Limited No.15, Soundara Pandian Salai, Ashok Nagar, Chennai 600 083	U93090TN1988PLC037507	Joint Venture	33.70	2(6)
50	Utility Powertech Limited H Block, 1 <sup>st</sup> Floor, Dhirubhai Ambani Knowledge City, Thane Belapur Road, Navi Mumbai 400 710	U45207MH1995PLC094719	Joint Venture	19.80	2(6)
51	Reliance Defence Systems Private Limited 502, Plot no. 91/94, Prabhat Colony Santa Cruz (East) Mumbai 400 055	U74999MH2014PTC260288	Step down Subsidiary	100	2(87)(ii)
52	Reliance Defence and Aerospace Private Limited 502, Plot no. 91/94, Prabhat Colony Santa Cruz (East) Mumbai 400 055	U74999MH2014PTC260285	Step down Subsidiary	100	2(87)(ii)
53	Reliance Defence Technologies Private Limited 502, Plot no. 91/94, Prabhat Colony Santa Cruz (East) Mumbai 400 055	U74999MH2014PTC260286	Step down Subsidiary	100	2(87)(ii)
54	Reliance SED Limited 502, Plot no. 91/94, Prabhat Colony Santa Cruz (East) Mumbai 400 055	U74999MH2015PLC263910	Step down Subsidiary	100	2(87)(ii)
55	Reliance Propulsion System Limited 502, Plot no. 91/94, Prabhat Colony Santa Cruz (East) Mumbai 400 055	U74999MH2015PLC263820	Step down Subsidiary	100	2(87)(ii)
56	Reliance Defence Systems and Tech Limited 502, Plot no. 91/94, Prabhat Colony Santa Cruz (East) Mumbai 400 055	U74999MH2015PLC263822	Step down subsidiary	100	2(87)(ii)
57	Reliance Defence Infrastructure Limited 502, Plot no. 91/94, Prabhat Colony Santa Cruz (East) Mumbai 400 055	U74999MH2015PLC263816	Step down Subsidiary	100	2(87)(ii)
58	Reliance Land System Limited 502, Plot no. 91/94, Prabhat Colony Santa Cruz (East) Mumbai 400 055	U74999MH2015PLC263818	Step Down Subsidiary	100	2(87)(ii)
59	Reliance Naval System Limited 502, Plot no. 91/94, Prabhat Colony Santa Cruz (East) Mumbai 400 055	U74120MH2015PLC263884	Step Down Subsidiary	100	2(87)(ii)
60	Reliance Unmanned System Limited 502, Plot no. 91/94, Prabhat Colony Santa Cruz (East) Mumbai 400 055	U74120MH2015PLC263784	Step doen Subsidiary	100	2(87)(ii)
61	Reliance Aerostructure Limited 502, Plot no. 91/94, Prabhat Colony Santa Cruz (East) Mumbai 400 055	U74120MH2015PLC263781	Step down subsidiary	100	2(87)(ii)
62	Reliance Helicopter Limited 502, Plot no. 91/94, Prabhat Colony Santa Cruz (East) Mumbai 400 055	U74999MH2015PLC263798	Step down subsidiary	100	2(87)(ii)
63	Dassault Reliance Aerospace Limited 502, Plot no. 91/94, Prabhat Colony Santa Cruz (East) Mumbai 400 055	U35999MH2017PLC291083	Step down Subsidiary	51	2(87)(ii)
64	Reliance Rafael Defence Systems Private Limited 502, Plot no. 91/94, Prabhat Colony Santa Cruz (East) Mumbai 400 055	U75302MH2016PTC288567	Step down Subsidiary	100	2(87)(ii)

# Reliance Infrastructure Limited

## Directors' Report

### 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 (April 01, 2016)				No. of Shares held at the end of the year (March 31, 2017)				% 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	6,63,424	-	6,63,424	0.25	6,63,424	-	6,63,424	0.25	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	12,65,13,612	-	12,65,13,612	48.11	12,65,13,612	-	12,65,13,612	48.11	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(1):</b>	<b>12,71,77,036</b>	<b>-</b>	<b>12,71,77,036</b>	<b>48.36</b>	<b>12,71,77,036</b>	<b>-</b>	<b>12,71,77,036</b>	<b>48.36</b>	
<b>(2) Foreign</b>									
a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
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 Shareholding of Promoters (A) = (A) (1)+(A)(2)</b>	<b>12,71,77,036</b>	<b>-</b>	<b>12,71,77,036</b>	<b>48.36</b>	<b>12,71,77,036</b>	<b>*</b>	<b>12,71,77,036</b>	<b>48.36</b>	
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>					<b>47,38,416</b>	<b>35,244</b>	<b>47,73,660</b>	<b>1.82</b>	
a) Mutual Funds/UTI	2,48,541	35,247	2,83,788	0.11					1.71
b) Banks/FI	10,92,315	14,031	11,06,346	0.42	<b>11,30,342</b>	<b>13,563</b>	<b>11,43,905</b>	<b>0.43</b>	0.01
c) Central Govt.	69,360	61,957	1,31,317	0.05	<b>69,407</b>	<b>61,950</b>	<b>1,31,357</b>	<b>0.05</b>	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	4,06,55,972	314	4,06,56,286	15.46	<b>3,34,65,292</b>	<b>314</b>	<b>3,34,65,606</b>	<b>12.77</b>	(2.4)
g) Foreign Institutional Investors	5,28,67,373	14,007	5,28,81,380	20.11	<b>5,75,25,104</b>	<b>13,963</b>	<b>5,75,39,067</b>	<b>21.88</b>	1.77
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(1):</b>	<b>9,49,33,561</b>	<b>1,25,556</b>	<b>9,50,59,117</b>	<b>36.15</b>	<b>9,69,28,561</b>	<b>1,25,034</b>	<b>9,70,53,595</b>	<b>37.24</b>	<b>1.09</b>
<b>(2) Non-Institutions</b>									
<b>a) Bodies Corporate</b>									
i) Indian	31,61,795	97,438	32,59,233	1.24	<b>30,55,223</b>	<b>97,531</b>	<b>39,35,692</b>	<b>1.50</b>	(0.04)
ii) Overseas	7,229	2,308	9,537	-	<b>7161</b>	<b>2308</b>	<b>9469</b>	<b>-</b>	-
<b>b) Individuals</b>									
i. Individual shareholders holding nominal share capital up to ₹ 1 lakh.	2,25,20,035	40,82,211	2,66,02,246	10.12	<b>2,15,00,670</b>	<b>39,90,851</b>	<b>2,49,11,816</b>	<b>9.47</b>	(0.43)
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	8,45,818	30,635	8,76,453	0.33	<b>8,54,872</b>	<b>30,635</b>	<b>14,65,212</b>	<b>0.56</b>	0.01
<b>c) Others (specify)</b>									
i) NRIs/OCBs	11,27,502	2,38,254	13,65,756	0.52	<b>10,15,014</b>	<b>2,28,011</b>	<b>12,43,025</b>	<b>0.47</b>	(0.05)
ii.) Clearing Members	8,82,620	-	8,82,620	0.34	<b>782938</b>	<b>-</b>	<b>782938</b>	<b>0.30</b>	(0.04)
<b>Sub-Total (B)(2):</b>	<b>2,85,44,999</b>	<b>44,50,846</b>	<b>3,29,95,845</b>	<b>12.55</b>	<b>2,72,15,878</b>	<b>43,49,336</b>	<b>3,15,65,214</b>	<b>12.00</b>	<b>(0.55)</b>
<b>Total Public Shareholding (B) = (B) (1)+(B)(2)</b>	<b>12,34,78,560</b>	<b>45,76,402</b>	<b>12,80,54,962</b>	<b>48.69</b>	<b>12,41,44,439</b>	<b>44,74,370</b>	<b>12,86,18,809</b>	<b>48.91</b>	<b>0.22</b>
<b>C. Non Promoters Non Public</b>									
<b>(1) Shares held by Custodian for GDRs</b>	<b>73,07,297</b>	<b>705</b>	<b>73,08,002</b>	<b>2.78</b>	<b>67,43,450</b>	<b>705</b>	<b>67,44,155</b>	<b>2.56</b>	<b>(0.22)</b>
<b>(2) ESOS Trust*</b>	<b>4,50,000</b>	<b>-</b>	<b>4,50,000</b>	<b>0.17</b>	<b>4,50,000</b>	<b>-</b>	<b>4,50,000</b>	<b>0.17</b>	<b>0.17</b>
<b>Total Non Promoters Non Public Shareholding (C) = (C) (1)+(C)(2)</b>	<b>77,57,297</b>	<b>705</b>	<b>77,58,002</b>	<b>2.95</b>	<b>71,93,450</b>	<b>705</b>	<b>71,94,155</b>	<b>2.73</b>	<b>(0.22)</b>
<b>Grand Total (A+B+C)</b>	<b>25,84,12,893</b>	<b>45,77,107</b>	<b>26,29,90,000</b>	<b>100.00</b>	<b>25,85,14,925</b>	<b>44,75,075</b>	<b>26,29,90,000</b>	<b>100.00</b>	<b>-</b>

(\*With effect from December 1, 2015 shares held by RInfra ESOS Trust have been shown under Non Promoter-Non Public category as per Listing Regulations.)

**Directors' Report**
**(ii) Shareholding of Promoters**

Sl. No.	Shareholders Name	Shareholding at the beginning of the year (April 01, 2016)			Shareholding at the end of the year (March 31, 2017)			Per cent 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.	Reliance Project Ventures and Management Private Limited (Formerly known as AAA Project Ventures Private Limited)	10,61,48,937	40.36	21.29	10,61,48,937	40.36	25.48	-
2.	Reliance Big Private Limited	1,95,00,000	7.41	5.89	1,95,00,000	7.41	5.89	-
3.	Reliance Innoventures Private Limited	8,64,675	0.33	0.33	8,64,675	0.33	0.33	-
4.	Smt. Kokila D Ambani	2,74,937	0.10	-	2,74,937	0.10	-	-
5.	Shri Anil D Ambani	1,39,437	0.05	-	1,39,437	0.05	-	-
6.	Shri Jaianmol A. Ambani	1,25,231	0.05	-	1,25,231	0.05	-	-
7.	Smt. Tina A Ambani	1,23,812	0.05	-	1,23,812	0.05	-	-
8.	Shri Jaianshul A. Ambani	7	0	-	7	0	-	-
<b>Total</b>		<b>12,71,77,036</b>	<b>48.36</b>	<b>27.51</b>	<b>12,71,77,036</b>	<b>48.36</b>	<b>31.70</b>	<b>-</b>

**(ii) Change in Promoters' Shareholding (please specify, if there is no change)**

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company

At the beginning of the year

Datewise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g.allotment/transfer/bonus/sweat equity etc):

There is no change in the Shareholding of Promoters

At the end of the year

**(iii) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs)**

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (April 1, 2016)		Increase/Decrease	Shareholding at the end of the year (March 31, 2017)	
		No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company
1.	Life Insurance Corporation of India	3,13,42,538	11.92	-55,00,000	2,58,44,788	9.83
2.	NORDEA 1 SICAV - Stable Return Fund	69,56,826	2.65	26,16,789	95,73,615	3.64
3.	Brandes Investment Trust-Brandes International Small Cap Equity Fund	41,64,040	1.58	0	41,64,040	1.58
4.	The New India Assurance Company Limited	38,54,136	1.47	-4,30,000	34,24,136	1.30
5.	The Oriental Insurance Company Limited	32,05,129	1.22	-4,17,531	27,87,598	1.06
6.	Brandes Institutional Equity Trust	34,69,162	1.32	-7,54,686	27,14,476	1.03
7.	Causway Emerging Markets Fund	0	0	25,46,761	25,46,761	0.97
8.	Brandes Emerging Markets Fund	28,79,087	1.09	-3,63,488	25,15,599	0.96
9.	Vanguard Emerging Markets Stock Index Fund, Aseries Of Vanguard International Equity Inde X Fund	19,89,478	0.76	2,82,530	22,72,008	0.86
10.	General Organization For Social Insurance	0	0	20,24,847	20,24,847	0.77
11.	Virginia Retirement System	22,01,787	0.84	-4,14,952	17,86,835	0.68
12.	West Virginia Investment Management Board - Brandes Investment Partners	25,25,029	0.96	-8,75,780	16,49,249	0.63
13.	HSBC Bank (Mauritius) Limited	39,55,629	1.50	-39,55,629	0	0

**Note:**

The date wise increase or decrease in shareholding of top 10 shareholders is available in the investor relation section of the website at [www.rinfra.com](http://www.rinfra.com) of the Company.



# Reliance Infrastructure Limited

## Directors' Report

### iv) Shareholding of Directors and Key Managerial Personnel (KMPs)

1. Shri Anil D. Ambani, Chairman of the Company held 1,39,437 (0.05%) equity shares at the beginning of the year April 01, 2016 and end of the year March 31, 2017.
2. Shri S Seth, Shri S S Kohli, Shri Shiv Prabhat, Shri K Ravikumar, Shri V R Galkar and Dr V K Chaturvedi, Directors of the Company did not hold any shares at the beginning and at end of the year.
3. Ms Ryna Karani, Director of the Company held 100 equity shares at the beginning and end of the year.
4. The Key Managerial Personnel of the Company, Shri Lalit Jalan, CEO did not hold any shares at the beginning and end of the year. Shri Sridhar Narasimhan, CFO held 4 equity shares at the beginning and end of the year. Shri Ramesh Shenoy, Company Secretary of the Company held 257 equity shares at the beginning and end of the year.

### V. INDEBTEDNESS

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

(₹ crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	15,713.24	4,720.79	Nil	20,434.03
ii) Interest due but not paid	--	--	Nil	0.00
iii) Interest accrued but not due	241.49	31.54	Nil	273.03
<b>Total (i+ii+iii)</b>	<b>15,954.73</b>	<b>4,752.33</b>	<b>Nil</b>	<b>20,707.06</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	2,480.00	3,231.96	Nil	5,711.96
• Reduction	3,957.00	5,777.94	Nil	9,734.94
Net Change	(1,477.00)	(2,545.98)	Nil	(4,022.98)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	14,236.24	2,174.81	Nil	16,411.05
ii) Interest due but not paid	0.00	0.00	Nil	0.00
iii) Interest accrued but not due	273.52	15.11	Nil	288.63
<b>Total (i+ii+iii)</b>	<b>14,509.76</b>	<b>2,189.92</b>	<b>Nil</b>	<b>16,699.68</b>

### VI. Remuneration of Directors and Key Managerial Personnel

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

The Company does not have Managing Director, Whole-time Director and/or Manager

#### B. Remuneration to other directors:

(₹ crore)

Sr. No.	Particulars of Remuneration	Name of Directors								Total Amount
		Anil D Ambani	S Seth	Shiv Prabhat	S S Kohli	Dr V K Chaturvedi	K Ravikumar	V R Galkar	Ryna Karani	
<b>1. Independent Directors</b>										
• Fee for attending Board Committee meetings		-	-	-	0.06	-	0.08	0.08	0.07	0.29
• Commission		-	-	-	0.08	-	0.08	0.08	0.08	0.32
• Others, please specify		-	-	-	-	-	-	-	-	-
<b>Total (1)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>0.14</b>		<b>0.16</b>	<b>0.16</b>	<b>0.15</b>	<b>0.61</b>
<b>2. Other Non-Executive Directors</b>										
• Fee for attending Board Committee meetings		0.03	0.04	0.06	-	0.07	-	-	-	0.20
• Commission		5.50	0.08	0.03	-	0.08	-	-	-	5.69
• Others, please specify		-	-	-	-	-	-	-	-	-
<b>Total (2)</b>		<b>5.53</b>	<b>0.12</b>	<b>0.09</b>		<b>0.15</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5.89</b>
<b>Total = (1 + 2)</b>		<b>5.53</b>	<b>0.12</b>	<b>0.09</b>	<b>0.14</b>	<b>0.15</b>	<b>0.16</b>	<b>0.16</b>	<b>0.15</b>	<b>6.50</b>
Overall Ceiling as per the Act										<b>197.70</b>

Directors' Report

**B. Remuneration to Key Managerial Personnel other than Managing Director, Whole-time Director and/or Manager**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CFO	CFO	Company Secretary
		Shri Lalit Jalan	Shri Sridhar Narasimhan (From June 4, 2016)	Shri Madhukar Moolwaney (Upto June 4, 2016)	Shri Ramesh Shenoy
1	Gross salary				
	(a) Salary as per provisions contained u/s 17(1) of the Income-tax Act, 1961	2.56	1.59	1.60	@1.07
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.03	0.02	-	0.01
	(c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as percent of profit	-	-	-	-
	- others	-	-	-	-
5	Others:				
	Superannuation	0.01	-	-	0.01
	Provident Fund NPS	0.20	0.01	0.01	0.04
	Leave Encashment	-	0.04	-	-
	<b>Total</b>	<b>2.80</b>	<b>1.66</b>	<b>*1.61</b>	<b>@1.13</b>

**Note :**

\* Includes payment of gratuity upon superannuation

@ Includes payment of retention bonus and performance linked incentive for the past period which became payable in the current year.

**VII. Penalties/Punishment/Compounding of Offences:**

There were no penalties, punishment or compounding of offences to the Company, directors and other officers of the Company during the year ended March 31, 2017.

#### DETAILS PERTAINING TO REMUNERATION 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

The Company has not appointed Managing Director or any Whole Time Director or Manager.

Sr. No	Requirement	Disclosure												
(i)	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year	Not Applicable. All the directors of the Company are Non Executive Directors and only received sitting fees and commission during the financial year 2016-17												
(ii)	The percentage increase in remuneration of each director, CEO, CFO, Company Secretary if any, in the Financial Year.	<table> <tr> <th>Name of KMPs</th><th>Percentage increase in remuneration in financial year 2016-17</th><th>Ratio of remuneration of each KMP/to median remuneration of employees</th></tr> <tr> <td>Shri Lalit Jalan Chief Executive Officer</td><td>NIL</td><td>17.51:1</td></tr> <tr> <td>Shri Sridhar Narasimhan Chief Financial Officer</td><td>N.A.</td><td>11.60:1</td></tr> <tr> <td>Shri Ramesh Shenoy Company Secretary</td><td>*34 per cent</td><td>7.35:1</td></tr> </table> <p>* Note : Includes payment of retention bonus and performance linked incentive for the past period which became payable in the current year.</p>	Name of KMPs	Percentage increase in remuneration in financial year 2016-17	Ratio of remuneration of each KMP/to median remuneration of employees	Shri Lalit Jalan Chief Executive Officer	NIL	17.51:1	Shri Sridhar Narasimhan Chief Financial Officer	N.A.	11.60:1	Shri Ramesh Shenoy Company Secretary	*34 per cent	7.35:1
Name of KMPs	Percentage increase in remuneration in financial year 2016-17	Ratio of remuneration of each KMP/to median remuneration of employees												
Shri Lalit Jalan Chief Executive Officer	NIL	17.51:1												
Shri Sridhar Narasimhan Chief Financial Officer	N.A.	11.60:1												
Shri Ramesh Shenoy Company Secretary	*34 per cent	7.35:1												
(iii)	The percentage increase in the median remuneration of employees in the Financial Year	The percentage increase in the median remuneration of employees in the financial year 2016-17 was 7.5 per cent												
(iv)	Number of permanent employees on the rolls of the Company	6037												
(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.	The average 7.5 per cent increase has been made in the salaries based on the Company's performance. The performance incentives are linked to organization performance, apart from individual performance.												
(vi)	Affirmation that the remuneration is as per the remuneration policy of the Company.	Yes.												

**Disclosure under Section 134(3)(m) of the Companies Act, 2013, read with rule 8 of the Companies (Accounts) Rules, 2014 regarding Conservation of Energy and Technology Absorption.**

**A. Conservation of Energy**

**1. Distribution Division**

a. Energy Conservation measures under taken:

Installation of LED fixtures and LED Down lights, use of Nano Molecular Thermo-conductive Chemical in Air-Conditioners, installation of Rooftop Solar PV Panels, Installation of Capacitor Units under special program, Energy audits of consumer installations, etc. Employees and consumers sensitization on energy conservation through various media/workshops.

b. Additional Investment and Proposals being implemented

Replacement of HPSV lamps (150W, 250W) in the receiving stations by LED Lights (72W, 90W), installation of microcontrollers for smaller AC units and installation of Polyester Thin Films on glass windows of the office facilities;

c. Impact of measures outlined at (a) above on Energy Consumption

Energy saving during financial year about 7.35 MU in addition to peak demand reduction.

**2. Power Stations**

**i. Dahanu Power Station**

a. Energy Conservation measures taken at Power Stations and Offices:

Reduction in boiler tube leakage application of Plastic refractory at boiler Z panel. Refurbishment of Boiler feed Pump(BFP) & Flue Gas Duct and installing air boosters on BFP recirculation valve to reduce power consumption

b. Additional Investment and Proposals being implemented:

Refurbishment of spare high pressure turbine, Replacement of street light fittings

c. Impact of measures outlined at (a) and (b) above for reduction of Energy Consumption:

Reduction in auxiliary power consumption, Improvement in plant heat rate, Improvement in cycle efficiency, Improvement in system reliability.

**ii. Samalkot Power Station**

a. Energy Conservation measures taken at Samalkot Power Station.

i. Shutdown of transformer each in power block and balance of plant area,

ii. Change in preservation schedule, reduction in CW line flushing activity time, scheduling of variable loads along with instrument air compressor run and optimization of auxiliaries for SMPL.

b. Impact of measures outlined at (a) above for reduction of Energy Consumption

Reduction in auxiliary power consumption, Increased energy conservation awareness among employees and customers; and Power Station saved 0.42 million units of energy during plant preservation in year 2016-17.

**B. Technology Absorption**

Efforts made in Technology Absorption as per 'Form B' is given below.

**1. Distribution Division**

a. Areas in which Research and Development / New Technology Deployment was carried out:

i. User-friendly Online Portal for New Connection application and Roof-top solar grid connection.

ii. Introduction of Whatsapp Chat and unique toll free number 19122 for interaction with consumers.

iii. Customised on-line process to enable UPI payments.

iv. CRM deployment for consumer service.

v. Introduction of Hybrid GIS with solid shielded Busbar.

vi. Modular meters cabins with IP-65 protection.

vii. Introduction of Theft-proof Pillars and Theft Aversion Box.

viii. Cold shrink HV & LV Joints.

ix. Vacuum On-line tap changer for power transformers.

b. Benefits derived

i. Consumer convenience for new connection.

ii. Enhanced Consumer communication facilities to ease of communication with consumers.

iii. Ease in on-line payment for consumers.

iv. Planning and executing customised services for benefit of consumers.

v. Reduction SF6 gas consumption, lower life cycle cost and easy installation.

vi. Balanced loading due to use of bus and enhanced safety.

vii. Reduction in system losses.

viii. Reduction in jointing process time and increase reliability of joints.

ix. Reliable and safe operation with lower life cycle cost.

c. Future plan of action:

- i. Deployment of technologies such as messenger, live chat and other forms of live chats for customer interaction and real time customer experience.
- ii. Use latest emerging digital technologies for e-payments.
- iii. Introduction of Communication Canopy and Smart Grid for efficient management of resources.
- iv. Power Distribution Centres (E-House) – prefabricated 33/11 kV substation.
- v. Ester oil filled transformers.

**2. Transmission Division**

**a. Areas in which Research and Development / New Technology Deployment was carried out**

Reverse Blocking scheme for 33kV Bus Bar Protection in 220kV AIS substation, Numerical Auto-reclose scheme in 220kV AIS substation, Bypass assembly installation at dead end clamp on Transmission Lines. On-line Tan-delta equipment for Transformers bushing monitoring. Auto-restoration scheme for quick restoration of supply at 33kV feeders. Deployment of training simulator for protection systems, tele-communication(Fibre Optic), SCADA system

**b. Benefits derived**

Cost effective solution for 33kV Busbar protection, Fault discrimination & auto-reclose of hybrid line (OH+Cable), Strengthen the conductor holding capacity of dead end clamps & eliminate conductor snapping, Realtime health monitoring of Transformer Bushings, Avoidance of manual intervention and improvement in employee competency and skill set in protection & communication system.

**c. Future plan of action**

Online Travelling wave fault locator, color concrete for GIS floors having longer durability, augmented reality technology for outage management in 220kV EHV Station & 220kV Cable System and Integration of 33kV GIS SF6 gas pressure with relay.

**C. Expenditure Incurred on R&D**

	₹ in lakh
a. Capital	129.79
b. Recurring	96.92
<b>Total</b>	<b>226.71</b>
Total R & D Expenditure as a per cent of	
Total Turnover	0.025%

**Technology, absorption, adaptation and innovation**

**1. Power Stations**

**Dahanu and Samalkot Power Station**

Efforts in brief, made towards Technology Absorption, Adaptation and Innovation:

IoT is a combination of automation & information technology. The automation schemes have been introduced for monitoring & operation of critical equipments of remote locations. 55 KW roof top Solar PV system installed at Admin Building

**Benefits derived as a result of the above efforts:**

Improvements in the field of reliability, availability, ease of operations & maintenance, quick analysis, transparency, accuracy, safety and decision making, preservation and conservation of resources / equipment.

**2. Transmission Division**

Efforts in brief, made towards Technology Absorption, Adaptation and Innovation

Replacement of static NUB (Neutral unbalance) relays with numerical relays for 33kV Capacitor feeders & replacement of static differential relays with numerical relays for 33/ 11kV, 20 MVA Transformer feeders at 22kV AIS EHV Substations (i.e. Versova, Ghodbunder & Aarey). Bypass assembly installation at dead end clamp on transmission line.

**Benefits derived as a result of the above efforts**

Numerical relays facilitate fault discrimination & post fault analysis and strengthening conductor holding capacity of the dead end clamps and avoid conductor snapping of transmission lines.

Directors' Report

Information Regarding Imported Technology

I. Mumbai Power Distribution

	Technology imported	Year of import	Status
1.	Introduction of IEC 61850 compliant relays and RTU in 33/11kV Substation facilitates faster commissioning, lower overall cost and space of the substation – step ahead towards smart grid.	2015-16	Implemented
2.	Maintenance free, environmental friendly and fire safe, Pilot Initiative of 33/11kV Dry CRT Power Transformer in substation – First time in Mumbai.	2015-16	Implemented
3.	Less maintenance required environmental friendly (less SF6 content), introduction of Hybrid GIS in 33/11kV Substation, facilitates faster commissioning, lower substation space requirement and overall cost of the project.	2015-16	Implemented
4.	Compact, Green and Fire Safe for customized use of Synthetic Ester Oil for Power Transformer.	2016-17	Under Implementation
5.	1.1kV Cold Shrink LT Joints with mechanical connectors.	2016-17	Under Implementation

II. Power Transmission

Sr No	Technology imported	Year of import	Status
i.	Wide Area Monitoring System (WAMS)	2014-15	Absorbed
ii.	On-line Tan-delta equipment	2014-15	Absorbed
iii.	Insulation monitoring by Corona discharge	2015-16	Under process
iii.	Auto-restoration scheme for 33kV supply feeders	2016-17	Absorbed
v.	Integration of 33kV GIS SF6 pressure with relay	2016-17	Under process
vi.	Gas Insulated Bus duct (220kV)	2016-17	Under Process

A. Foreign Exchange Earnings and Outgo

- a. Activities relating to export, initiatives taken to increase exports, development of new export markets for products and services, and export plans:  
The Company is not engaged in export activities.
- b. Total foreign exchange earnings and outgo for the financial year are as follows:
  - i. Total Foreign Exchange earnings: ₹ 0.34 crore
  - ii. Total Foreign Exchange outgo : ₹ 54.44 crore

### THE ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITIES (CSR) ACTIVITIES

#### 1. A brief outline of the Company's CSR policy including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes

RInfra as a responsible corporate entity undertakes appropriate Corporate Social Responsibility (CSR) measures having positive economic, social and environmental impact to transform lives and to help build more capable & vibrant communities by integrating its business values and strengths. In its continuous efforts to positively impact the society, especially the areas around its sites and offices, the Company has formulated guiding policies for social development, targeting the inclusive growth of all stakeholders under nine specific categories including Promoting education, environment sustainability, economic empowerment, rural development, health care and sanitation.

Our CSR policy is placed on our website at the link – [http:// www.rinfra.com/pdf/RInfra\\_CSR\\_Policy.pdf](http://www.rinfra.com/pdf/RInfra_CSR_Policy.pdf).

#### 2. The composition of the CSR Committee

- |    |                               |  |
|----|-------------------------------|--|
| a. | Ms. Ryna Karani (Chairperson) | Independent Director                   |
| b. | Shri S S Kohli                | Independent Director                   |
| c. | Shri K Ravikumar              | Independent Director                   |
| d. | Dr V K Chaturvedi             | Non Independent Non Executive Director |

#### 3. Average Net Profit of the Company for last three financial years : ₹ 1,459.37 crore

#### 4. Prescribed CSR Expenditure (2 per cent of the average net profit) : ₹ 29.19 crore

#### 5. Details of CSR spent during 2016-17

- |    |  |               |
|----|--|---------------|
| a. | Total Amount spent for the financial year:                                       | ₹ 32.78 crore |
| b. | Amount unspent, if any:  | Nil           |
| c. | Manner in which the amount is spent during the financial year is detailed below: |               |

1.	2.	3.	4.	5.	6.	7.	8.
Sr No.	CSR project or activity identified	Sector in which the Project is covered	Projects or Programs 1. Local area or others- 2. State / district	Amount outlay (budget) project or program wise	Amount spent on the projects or programs 1. Direct expenditure 2. Overheads	Cumulative spend upto to the reporting period*	Amount spent: Direct/ through implementing agency
1.	Daycare Oncology Centres	Health Care	Maharashtra	30.00	30.00	85.00	Through a non-profit Organisation specialized in the provision of health care
2.	Activities at Mumbai Distribution division	Promoting education and environment sustainability	Mumbai, Maharashtra	2.16	2.16	4.41	Direct
3.	Activities at Power Stations	Promoting education, environment sustainability, rural development and promoting health care	Dahanu, Maharashtra, Goa and Samalkot, Andhra Pradesh	0.62	0.62	1.22	Direct
	<b>Total</b>			<b>32.78</b>	<b>32.78</b>	<b>90.63</b>	

\* Includes the amount spent during the financial year 2014-15 and 2015-16

#### 6. In case the Company has failed to spend the 2 per cent of the Average Net Profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.

Not Applicable

#### 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 hereby confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and the Policy of the Company.

Lalit Jalan  
Chief Executive Officer

Ryna Karani  
Chairperson, CSR Committee

Date: April 15, 2017

## Dividend Distribution Policy

### 1. Introduction

The Board of Directors (the "Board") of Reliance Infrastructure Limited (the "Company") at its meeting held on September 13, 2016, has adopted this Dividend Distribution Policy (the "Policy") in accordance with the Companies Act, 2013 (the "Act") and Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

### 2. Objective

The Objective of this Policy is to establish the parameters to be considered by the Board of Directors of the Company before declaring or recommending dividend.

### 3. Circumstances under which the shareholders of the listed entities may or may not expect dividend

The shareholders of the Company may not expect dividend in the below mentioned circumstances:

- i. In the event of a growth opportunity where the Company may be required to allocate a significant amount of capital.
- ii. In the event of higher working capital requirement for business operations or otherwise.
- iii. In the event of inadequacy of cashflow available for distribution.
- iv. In the event of inadequacy or absence of profits.
- v. In the event of any regulation or contractual restriction.

The Board may consider not declaring dividend or may recommend a lower payout for a given financial year, after analysing the prospective opportunities and threats or in the event of challenging circumstances such as regulatory and financial environment.

### 4. Parameters to be considered before recommending dividend

Dividends will generally be recommended by the Board once a year, after the announcement of the full year results and before the Annual General Meeting (AGM) of the shareholders, as may be permitted by the Companies Act, 2013. The Board may also declare interim dividends as may be permitted by the Companies Act, 2013. The Company has had a consistent dividend policy that balances the objective of appropriately rewarding shareholders through dividends and to support the future growth.

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained in business. The Dividend pay-out decision of any company depends upon certain external and internal factors:

### 4.1 External Factors

State of Economy: In case of uncertain or recessionary economic and business conditions, Board will endeavor to retain larger part of profits to build up reserves to absorb future shocks.

### 4.2 Internal Factors

Apart from the various external factors aforementioned, the Board will take into account various internal factors while declaring Dividend, which inter alia will include:

- Income / Profits earned during the year;
- Present & future capital requirements of the existing businesses;
- Brand/ Business Acquisitions;
- Expansion/ Modernization of existing businesses;
- Additional investments in subsidiaries/ associates of the Company;
- Fresh investments into external businesses;

Any other factor as deemed fit by the Board.

### 5. Utilisation of retained earnings

The Company shall endeavour to utilise the retained earnings in following manner:

- For expansion and growth of business;
- Additional investments in existing businesses;
- Declaration of Dividend;
- General Corporate purpose; and
- Any other specific purpose as may be approved by the Board.

### 6. Parameters that shall be adopted with regard to various classes of shares

The Company has issued only one class of shares viz. Equity shares. Parameters for dividend payments in respect of any other class of shares will be as per the respective terms of issue and in accordance with the applicable regulations and will be determined, if and when the Company decides to issue other classes of share.

### 7. Review

This Policy will be reviewed periodically by the Board.

### 8. Limitation and amendment

In the event of any conflict between the Act or the Listing Regulations and the provisions of the policy, the Listing Regulations shall prevail over this policy. Any subsequent amendment / modification in the Listing Regulations, in this regard, shall automatically apply to this policy.



### Forward Looking Statements

Statements in this Management Discussion and Analysis of Financial Condition and Results of Operations of the Company describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company assumes no responsibility to publicly amend, modify or revise forward-looking statements on the basis of any subsequent developments, information or events. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include determination of tariff and such other charges and levies by the regulatory authority, changes in Government regulations, tax laws, economic developments within the country and such other factors globally.

The financial statements are prepared under historical cost convention, on accrual basis of accounting and in accordance with the provisions of the Companies Act, 2013 (the "Act") and comply with the Accounting Standards specified under Section 133 of the Act. The management of Reliance Infrastructure Limited ("Reliance Infrastructure" or "RInfra" or "the Company") has used estimates and judgments relating to the financial statements on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner, the state of affairs and profit for the year.

The following discussions on our financial condition and result of operations should be read together with our audited consolidated financial statements and the notes to these statements included in the annual report.

Unless otherwise specified or the context otherwise requires, all references herein to "we", "us", "our", "the Company", "RInfra", "Reliance" or "Reliance Infrastructure" are to Reliance Infrastructure Limited and its subsidiary companies and associates.

### Macroeconomic Overview

#### Indian Economic Environment

As per the Central Statistics Organization (CSO) second advance estimates, the Indian economy grew by 7.1 per cent in 2016-17. After two consecutive years of poor monsoon, 2016-17 was the first year when the country witnessed normal monsoon which provided much needed support to the rural economy. India's macro fundamentals continued to improve in 2016-17 led by strong pace of reforms such as passage of Goods and Service Tax (GST) Bill, corporate insolvency resolution via Bankruptcy Code, financial inclusion via Aadhaar card and various measures to curb black money. Inflation continued with its downtrend, with Consumer Price Index (CPI) averaging 4.5 per cent in 2016-17 versus 4.9 per cent in 2015-16. Central government fiscal deficit too improved from 3.9 per cent of - Gross Domestic Product (GDP) in 2015-16 to 3.5 per cent of GDP in 2016-17. The revenue deficit also declined from 2.5 per cent in 2015-16 to 2 per cent in 2016-17. Benign inflationary pressures meant that the Reserve Bank of India (RBI) was able to deliver another 25 basis points (bps) of repo rate cut in 2016-17 after a cumulative 125 bps rate cut in 2015-16. Further, in order to facilitate transmission of policy rate cuts, the

RBI decided to progressively migrate the banking system liquidity target from a deficit of 1 per cent of NDTL to a position closer to neutrality. Government's policy reforms continued to improve the business environment in the economy with India jumping 16 ranks to settle at the 39<sup>th</sup> spot (out of 138 countries) on the global competitiveness index prepared by the World Economic Forum in 2016. This was the second year in a row that India jumped 16 spots. In the year 2015-16, India was ranked at the 55<sup>th</sup> place.

#### GDP Growth

As per second advance estimates, India's GDP growth slowed down slightly in 2016-17 to 7.1 per cent from 7.9 per cent in 2015-16. This slowdown was primarily due to the impact of demonetisation which led to temporary disruption in cash transactions. On the back of a normal monsoon, the agriculture sector registered a strong growth of 4.4 per cent in 2016-17 versus 0.8 per cent in 2015-16. Mining grew by 1.3 per cent, down from 12 per cent in the previous year while manufacturing grew by 7.7 per cent (down from 10.5 per cent in the previous year) and electricity grew by 6.6 per cent (up from 5.1 per cent in the previous year). The construction sector showed some improvement, growing by 3.1 per cent in 2016-17 versus 2.7 per cent in 2015-16. However, the biggest drag came from the service sector where growth rate fell to 7.9 per cent in 2016-17 from 9.8 per cent in the previous year. The drag was primarily due to the demonetization as large sections of the service sector are unorganized and highly dependent on cash transactions. Going forward, a normal monsoon, normalization of short-term disruption caused from demonetisation as well as a pick-up in exports should be supportive of growth in 2017-18.

#### Industrial Production

During 2016-17, the Index of Industrial Production (IIP) registered a healthy growth rate of 5 per cent compared to 3.4 per cent in same period last year. Manufacturing index grew by 4.9 per cent, Mining rose by 5.3 per cent and Electricity rose by 5.8 per cent. The government has been focused on increasing public capital spending both through the budget and by off-budget means (state owned enterprises-led capex). However, the trend in private capex has been subdued and has been a key drag on the overall growth trajectory. On the positive side, Foreign Direct Investment (FDI) has remained quite strong with India receiving US\$35.8 billion of net FDI inflows in 2016-17.

#### Inflation and Interest Rate

The Consumer Price Index (CPI) inflation averaged 4.5 per cent in 2016-17 from 4.9 per cent in 2015-16. Decline in food inflation on the back of a good monsoon helped to ease inflationary pressures in the economy. The Wholesale Price index (WPI) inflation came out of deflation territory to average 3.7 per cent in 2016-17 versus -2.5 per cent in 2015-16. The year 2016 marked an inflexion point in global commodities with prices of many commodities rebounding due to a combination of Chinese fiscal stimulus, supply cuts as well as some recovery in global growth. However, overall inflationary pressures in the economy continued to remain benign. As a result, the RBI was able to cut its policy rate by another 25bps in 2016-17 versus 125bps in 2015-16.

#### Current Account Deficit (CAD)

India's current account deficit (CAD) fell to \$11 billion (0.7 per cent of GDP) in April-December 2016, compared with \$21

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billion (1.4 per cent of GDP) a year ago on substantial decline in merchandise trade deficit even as services trade surplus shrank. Healthy foreign direct investments into the financial account were adequate to cover CAD which helped in the accrual of foreign exchange reserves. India's export growth has turned positive since September 2016 after declining between December 2014 and August 2016, making this the longest period of contraction since the global credit crisis. However, with expectation of global growth to accelerate in 2017, the ongoing export recovery should be well supported.

### Infrastructure Sector

Infrastructure development has been fuelling India's economic growth over the past decades. Increasing population, rapid industrialization, urbanization as well as global trade is driving the demand for consistent investment in infrastructure development. In order to achieve the above objectives, the Government has targeted ₹ 25 trillion investment in infrastructure over a period of 3 years and additional investment of ₹ 5 trillion for roads, railways and port connectivity projects as development of infrastructure has consistently been a key focus for the Government in the economic development initiatives.

### Roads

India has the second largest road network in the world totalling 5.23 million kms carrying 80 per cent of passenger traffic and 65 per cent of freight traffic. During the year, pace of road award was encouraging wherein 16,000 kms of road projects were awarded as against 10,000 kms last year. The Government has set –a record target of 40 kms per day currently. The various policy initiatives taken by the Government to revive the sector –are very encouraging i.e. Exit Policy, One-time fund infusion by the Government to revive languishing projects, innovative project implementation model like hybrid annuity model and rationalized compensation to concessionaires for languishing national highway projects in Built Operate Transfer (BOT) mode for delays not attributable to concessionaires. The step up in budgetary support, coupled with a clearly laid out road map for all round development, supported by programmes such as setting up of National Highways Development Project (NHDP), Bharatmala Pariyojna, Special Accelerated Road Development Programme in the north east of India shall play a vital role to boost investor sentiments. The Government has increased the budgetary allocation by 24 per cent to ₹ 64,900 crore for development of road sector in 2017-18.

### Railways

Indian Railways is the backbone of mass transportation with a network span of over 66,030 kms, making it the world's third largest rail network and fourth largest rail freight carrier. The Government has planned to award at least 25 stations via the public – private partnership route during 2017-18. The Government is focusing on various initiatives to encourage investment in railways through-investor friendly policies like 100 per cent FDI permitted through automatic route for construction, operation and maintenance of railway infrastructure, Dedicated Freight Corridors, Railway Electrification, Mass Rapid Transport System, etc. In order to achieve the above objectives, the Government has increased the budgetary allocation for railways to ₹ 1.3 trillion in 2017-18 which will be achieved via gross budgetary support, loan from Life Insurance Corporation of India (LIC), issue of Indian Railways Finance Corporation Bonds,

Internal resources and Public Private Partnership (PPP). The Government has also been focusing actively on development of metro rail projects across the country for passenger ease and convenience and has already approved projects covering length of over 490 kms with an outlay of over ₹ 165,000 crore which are under various stages of execution.

### Engineering Procurement and Construction (EPC) Sector

The construction sector in India is one of the largest economic segments accounting for 8 per cent of country's GDP in 2016-17. Over the past few years, the sector has started gaining momentum with the Government's strong thrust on infrastructure development to revive economic growth. Roads, railways, ports, etc. are considered to be the biggest beneficiaries of infrastructure capex. Railways have capex plan of ₹ 8.56 trillion over 2015-19 which includes dedicated freight corridors, station modernisation which includes modernisation of 400 railway station, metro rail projects, high speed trains, etc. In road segment, there has been strong push towards EPC as against BOT route. During 2016-17, over 40 per cent of the project award was through EPC route. The Government has identified 2,000 kms of coastal connectivity roads for construction and development which will improve evacuation from ports.

### Power Sector

Power is one of the most critical components of infrastructure which is crucial for the economic development of the country. Under the 12<sup>th</sup> Five Year Plan i.e. 2012-17, the Government has added 93.5 GW of power generation capacity, thereby surpassing its target of 88.5 GW during the period. The Indian power sector has an investment potential of US\$ 1 trillion by 2030, thereby providing immense opportunities in power generation, transmission and distribution sector. With the increase in generation capacity, the energy deficit in India has come down to 0.7 per cent in 2016-17.

### Generation

The Indian power generation sector is the third largest in Asia after China and Japan with a total installed capacity of 320 GW as on March 2017 with private sector contributing 42 per cent of the total generation followed by State Government (33 per cent) and Central Government (25 per cent). The installed capacity is currently being pre-dominated by Thermal (68 per cent), followed by Renewable (16 per cent), Hydro (14 per cent) and Nuclear (2 per cent). Going forward, the Government is keen on promotion of renewable energy and plans to achieve capacity addition of 175 GW in this sector by FY 2021-22.

### Transmission

Transmission networks constitute the vital arteries of the entire value chain of power sector. Government of India has launched "Power for all" initiative with an aim to provide uninterrupted power supply to all Indian citizens by March, 2019. During the year, the Government has achieved laying 26,300 circuit kms (ckms) of transmission lines, which is a growth of over 12 per cent –year-on-year. There has also been an increase in the transformation capacity to 81,816 MVA in 2016-17. As on March 31, 2017, total 3,67,851 ckms of transmission lines, 7,40,765 MVA of transformation capacity and 75,050 MW of inter-regional transmission capacity have been commissioned. Government launched the Tarang (Transmission App for Real Time Monitoring and Growth) mobile app and web portal for

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electronic bidding for transmission projects which will help in enhancing ease, accountability and transparency in power transmission sector.

### Distribution

Power distribution system is the final and crucial value chain of electricity sector predominantly state owned with private sector contributing over 10 per cent. The sector has started receiving greater attention and investment through various programmes like Ujwal Discom Assurance Yojana (UDAY) to revive and restructure the weak financial health of discom companies leading to improvement of the overall credibility of power sector, Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) designed to assure continuous power supply in rural areas, Integrated Power Development Scheme (IPDS) aimed to extend financial assistance against capital expenditure and to address the gaps in sub-transmission, distribution networks and metering in urban and semi-urban areas and application of Geographic Information System (GIS) to distribution substation helps in increasing the reliability of the distribution systems. The Government has rolled out "Unnat Jyoti by Affordable LEDs for All" (UJALA) scheme to save over 30,000 million kWh resulting into cost savings of about ₹ 12,000 crore per annum.

### Defence

India's defence sector with its large scale requirements has been in demand amongst the global defence suppliers. Indian Government is keen to leverage this advantage to promote investment in the sector. Currently, India is the largest importer of defence equipment in the world and the government is committed to making India self-reliant in defence production with key programmes like "Make in India " and "Skill India ". The primary objectives of these initiatives are to promote self-reliance, indigenization, achieve economies of scale, develop capabilities for export, domestic research and development. In order to achieve the said objectives, the government has taken several measures like increase the FDI limit in the defence sector to 49 per cent from 26 per cent under automatic route subject to industrial license and may increase further on case to case basis. Introduction of defense procurement procedure 2016 ( DPP 2016) wherein a new procurement category was introduced to promote Indigenous Design, Development and Manufacturing titled "Buy Indian-IDDM" which will provide boost for private sector participation, modification to offset clause which stipulates that 30 per cent to 50 per cent imported orders to be sourced from Indian suppliers including technology transfer.

Apart from series of policy changes, Government of India is expected to finalize the framework of appointing private sector entities as "Strategic Partner" for supplying various products in selected segments. Implementation of the said framework would lead to a paradigm shift in creating large scale opportunities for the private sector. Apart from assisting in developing large defence business, the framework will lead to creation of ancillary units of Micro, Small and Medium Enterprises (MSME) and Small and Medium Enterprises (SMEs).

Indian Defence annual budget is about Rs.2,60,000 crore and it has been growing consistently at compounded annual growth rate (CAGR) of 12 per cent over the last 15 years. The capital expenditure by Indian Government in next 15 years is expected to exceed Rs.15 lakh crore.

### Overall Review

Reliance Infrastructure Limited is one of the largest infrastructure companies, developing projects through various Special Purpose Vehicles (SPVs) in several high growth sectors such as power, roads and metro rail in the infrastructure space and the defence sector. Reliance Infrastructure is ranked amongst India's leading private companies on all major financial parameters, including assets, sales, profits and market capitalization. The highlights of the performance of the Company during 2016-17 are furnished hereunder:

- Total Income of ₹ 28,222 crore (US\$ 4.4 billion)
  - Net Profit of ₹ 1,425 crore (US\$ 220 million)
  - EBITDA of ₹ 8,274 crore (US\$1.3 billion)
  - Earnings per Share (EPS) of ₹ 54.18 (US\$ 0.83)
- Cash profit of ₹ 3,113 crore (US\$ 480 million)  
Consolidated Net Worth of ₹ 23,348 crore (US\$ 3.6 billion)

In order to optimise shareholder value, the Company continues to focus on in-house opportunities as well as selective large external projects for its Engineering, Procurement and Construction (EPC) and Contracts Division. The EPC and Contracts Division (the EPC Division) order book position stood at ₹ 5,960 crore (US\$ 919 million) as on March 31, 2017.

### Fiscal Review

The Financials of the Company have been prepared in accordance with the Companies (Indian Accounting Standards) Rules 2015 (IndAS) prescribed under Section 133 of the Companies Act, 2013. The Company adopted IndAS from April 1, 2016 with a transition date of April 1, 2015. Accordingly, the comparative figures for the year ended March 31, 2016 have been restated. The reconciliation between the previous reported figures and the restated figures is given in the financials of the Company.

The Company's total income for the year ended March 31, 2017 was ₹ 28,222 crore (US\$ 4.4 billion) as compared to ₹ 28,462 crore in the previous financial year.

The total income includes earnings from sale of electrical energy of ₹ 22,557 crore (US\$ 3.5 billion) as compared to ₹ 21,865 crore recorded last year.

During the year, interest expenditure increased to ₹ 5,650 crore (US\$ 871 million) as compared to ₹ 5,026 crore in the previous year.

The Mumbai power distribution business is eligible for tax holiday under Section 80IA of the Income-tax Act, 1961 for a total of 10 consecutive years out of 15 years, from commencement of commercial operation.

At its meeting held on April 15, 2017, the Board of Directors has recommended payment of dividend of ₹ 9.0 per share, aggregating to a payout of ₹ 237 crore (US\$ 37 million) (excluding dividend distribution tax) subject to shareholders' approval for the year ended March 31, 2017.

The capital expenditure during the year was ₹ 2,405 crore (US\$ 371 million), incurred primarily on modernizing and strengthening of the transmission and distribution network as also on road projects.

Total Property, Plant and Equipments(PPE) increased during the year by ₹ 1,115 crore (US\$ 172 million) and the total PPE as at March 31, 2017 stood at ₹ 20,482 crore (3.2 billion).

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With a net worth of about ₹ 23,348 crore (US\$ 3.6 billion), Reliance Infrastructure ranks among the top performing Indian private sector infrastructure companies of India.

### Resource and Liquidity

The Company continues to maintain its conservative financial profile, as reflected in its credit ratings in the current business environment. The Company's consolidated gross debt at the end of the financial year stood at ₹ 29,165 crore (US\$ 4.1 billion).

The Company sources funds for its long-term and project related financing requirements from a combination of internal accruals and external sources. The working capital requirements are met through commercial rupee credit lines provided by a consortium of Indian and foreign banks.

The Company also undertakes liability management transactions and enters into other structured derivative arrangements such as interest rate and currency swaps. This is practised on an ongoing basis to reduce overall cost of debt and diversify liability mix.

### Reliance Energy – Mumbai Power Distribution Business

"Reliance Energy", the Power Distribution Division of the Company, has been in the field of electricity distribution for over 90 years and has achieved the distinction of consistently operating its distribution network at 99.99 per cent reliability.

#### Customers

The number of customers using the Company's network at the end of the year was 29.7 lakhs.

#### Revenue

The sales revenue of the Company from Mumbai Distribution Business for the year was ₹ 7,532 crore (previous year ₹ 7,185 crore) including wheeling revenue of ₹ 1,585 crore (previous year ₹ 1,626 crore) based on the tariff determined by the Hon'ble Maharashtra Electricity Regulatory Commission (MERC).

#### System Demand

The coincident peak demand of distribution system in 2016-17 was 1,892 MW as against 1,839 MW in FY16.

#### Network Augmentation

In order to meet the rising demand for power, network augmentation is undertaken on a continuous basis. During the year, High Tension (HT) cable network increased from 4,380 kms to 4,629 kms. The power transformers installed capacity increased to 3,507 MVA and distribution transformers installed capacity is increased to 4,871 MVA. The Company added 128 new sub-stations and has 6,428 sub-stations till date.

#### Meter Modernization

The Company has electronic meters in all consumer premises which are built with tamper detection features to enable identifying potential misuse. The automated process based on multiple logics is used to analyse the consumer usage data and filter out the suspect cases thereby improving our ability to detect misuse and theft. The Company is carrying out smart communication pilots, which shall become the backbone for future Smart Metering and Smart Grid.

#### Billing and Payment

The Company issues an informative electricity bill with higher visibility of key content for quick and easy reference. This

customer-friendly bill provides personalized messages, past consumption trends and energy conservation tips. The customers can opt for paperless billing and obtain e-bills through e-mails. They can also view and print the energy bills from the website of the Company [www.relianceenergy.in](http://www.relianceenergy.in).

The customers have access to an array of bill payment options such as Collection Centres, Collecting Bank, Drop Box, Easy Bill Outlets, Payment using Itz Cash Card, National Automated Clearing House, Voluntary Deposit Scheme (VAS), Rupay Cards and Online Payment Options using Credit Card/ Debit Card / Net Banking, UPI, Mvisa, Masterpass, RTGS/NEFT, IMPES. Additionally, various mobile wallet payment options like Paytm, FreeCharge, Citrus Pay, mRuppee, Airtel Money, cashCard, HDFC PayZapp, JioMoney, PayCash, Oxygen, Vofadone mPesa, ICICI Pockets are also being offered to Reliance Energy customers. Customers can also opt to pay their bills using the Reliance Energy Mobile app, available on Android and iOS platforms, using multiple payment gateways including BillDesk, PayU Money and Paytm, offering a host of online payment options mentioned above.

### Value added services (VAS)

#### 1. Web-based VAS:

- **My Account** – A personalised and customised secure web-based account providing customers all the required information, pertaining to her/his Reliance Energy account. Its features include personalized mail box, monthly bill and security deposit payment option, download bill copy for past six months, consumption history in a tabular and graphical representation, register for paperless billing, choose bill language of choice, check scheduled meter reading date and other relevant dates, register for SMS and e-mail alerts, link multiple accounts to a single account using the multi-account feature, etc.
- **Check Outage Status** – Check status of planned / unplanned outages for a particular consumer account number.
- **Check "No Supply" Complaint Status** – Check status of a registered "No Supply" complaint on entering one's account number or complaint number.
- **Energy InfoGuide** – A comprehensive pdf document providing all the information that customers need to know about Reliance Energy in terms of services offered, timelines followed, touchpoint details, grievance redressal mechanism and so on.
- **Paperless Billing** – Customers who wish to do their bit for the environment, in terms of paper saving, can opt for the paperless billing option.

#### 2. Mobile Based VAS

- **SMS Based Services – Push SMS Alerts** – An array of SMS alerts are sent to customers on need-basis / monthly frequency for Bill delivery confirmation, consumption fluctuation, payment confirmation, due date reminder, complaint registration and closure, bounced cheque intimation, ECS mandate crossed, VDS balance replenishment and VDS registration confirmation.



- **Pull SMS Service:** For registration of No Supply complaints and seek status of outage restoration, customer can send SMS as POWER <9 digit account no> to 7065313030 to get above details.
- **Mobile App** – The web based 'MyAccount' service can now be accessed via Reliance Energy Mobile App, available on Android and iOS platforms. The App has already clocked more than 2,00,000 downloads in a span of less than two years. The App's key features include: sign-up and login with Facebook, access multiple accounts using a single login, register/de-register for e-bill, change bill language, check payment history-12 months, payment date pattern, meter reading – history, download bill copy for past six months, bill comparison graph, consumption trend, outage status, complaint status – commercial and no supply complaints, complaint registration-no supply, social media plug-ins, live Twitter feed, verify identity of Reliance Energy employee, etc.
- **WhatsApp** – Customers can access our Whatsapp no 9022813030, for resolution of their complaints and queries pertaining to payments, billing, form, requests etc. Also third party excavation and reporting of power Theft cases are accepted on this number. Whatsapp services are available from 8.00 A.M. to 8.00 P.M. for Mumbai customers.

Considering advancement in technology in terms of hyper computing power, connectivity, cloud computing and Analytics – the Company has taken necessary actions by providing the mobile access of applications to the workforce, customers.

### 3. Social media based VAS

Reliance Energy is also present across four social media platforms, viz. Facebook, Twitter, LinkedIn and YouTube, reaching out to more than 3.5 lakh community members.

#### Community size:

- **Facebook** – 3,00,000 fans: Highest number of fan base for any utility, globally.
- **Twitter** – 61,300 followers: Among the top 5 utilities, globally, in terms of followers.
- **LinkedIn** – Network of 12,000 followers.

Communication on social media includes safety information, energy conservation awareness, emergency intimation alerts, promotion of value added services, communication on offers and discounts, building a brand connect, building a stakeholder network, customer service / social Customer Relationship Management (CRM) initiatives, building social media as a service channel, etc.

The Company also provides proactive outage intimation alerts over Direct Messaging (DM) through Know Power Twitter alerts and intimation about planned and unplanned outages and approximate restoration time is communicated.

### Customer Care and Call Centre

- The Company has 8 modern Customer Care Centres, across its 5 divisions to provide a single window access to customers for enquiries and redressal of grievances.
- Customers can access our 24 hour toll free helpline by calling 1800 200 3030 or 19122, which serves as a channel for single-window, multi-lingual customer service.
- The call centre offers a well designed IVR (Interactive Voice Response) to help customers use self-service options like previous payment information, no supply complaint registration, bill payment.
- The call center and customer care centres are fully integrated with our Enterprise Resource Planning (ERP) system which aids our agents to have on-line access to customer data, helping in improved and timely redressal of various customer issues.
- The 360 degree view on MS Dynamics CRM helps Call Centre agents respond faster to customer queries. Customers can be identified through their registered phone numbers through Computer Telephony Integration (CTI).
- Our recorded voice call facility is a proactive and personalized means of reaching out to customers on critical issues, in addition to sms and e-mails.

### Regulatory Initiatives, Developments and Issues

The Maharashtra Electricity Regulatory Commission (MERC) approved the Multi-Year Annual Revenue Requirements (ARR) and Tariff for the control period 2016-17 to 2019-20 vide order dated October 21, 2016 as per MERC (MYT) Regulations, 2015. The Company has filed an appeal with the Hon'ble Appellate Tribunal for Electricity (ATE) against certain disallowances by MERC. ATE has admitted the appeal.

#### Cross subsidy surcharge

The Company continues to recover Cross Subsidy Surcharge (CSS) from changeover and /open access consumers, as approved by MERC. During the year, the Company received ₹ 84 crore on account of CSS. The Tata Power Company Limited (TPC) and a few consumers had filed appeal before the Hon'ble ATE, challenging levy of CSS on change-over consumers. The said appeals were dismissed by the ATE. TPC and others have filed appeals before the Hon'ble Supreme Court of India against the judgment of the ATE. TPC has withdrawn its appeal in the Hon'ble Supreme Court. However, the remaining appeals are yet to be heard.

#### Regulatory Assets recovery

The Company continues to recover Regulatory Asset Charge (RAC) from its own and TPC change-over consumers. During the year, the Company received ₹ 1,091 crore on account of RAC including ₹ 829 crore relating to past recovery out of which ₹ 461 crore have been apportioned towards carrying cost.

#### Network Related Issue

MERC granted new license to TPC considering use of RInfra network, to meet Universal Service Obligation. Aggrieved by

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such order of MERC, the Company filed appeal before the ATE challenging the grant of license to TPC, to the extent it allowed usage of RInfra network for supply of electricity. The hearings are in progress.

In the meantime, in an issue relating to the then TPC license (valid upto 2014), Hon'ble ATE in its judgment in Appeal No 246 of 2012, held that considering peculiar circumstances of Mumbai city, there should be no duplication of network and only existing licensees network should be used for supplying electricity to avoid burden on consumers. Pursuant to the said judgment, TPC has submitted revised roll-out plan for approval of MERC which has issued interim order on November 9, 2015 in respect of TPC's network roll out plan and formed a Committee to determine the operational specifics on the scenarios framed by MERC in the interim order. The Company has filed an appeal before ATE challenging certain portion of interim order. The appeal is yet to be admitted. The Committee has submitted its final report to the MERC wherein it has recommended that Consumer has a choice of Supply. It has further recommended that all the existing consumers will continue to remain with RInfra network and only those consumers wherein TPC has already laid network up to the Point of Supply will be allowed to switchover. For release of supply to its new consumers, a licensee who is better placed economically in terms of laying network will be allowed to lay network. Public hearing has been conducted and MERC shall issue its final order.

### License Amendment

The Company has line-specific Transmission License and during the year, has taken-up addition of new lines for which MERC has amended the license to include such lines.

### Renewable Purchase Obligations (RPO)

The Company has to procure certain part of its power requirement from renewable sources as per MERC (Renewable Purchase Obligation, Its Compliance and Implementation of REC Framework) Regulations 2016. For meeting non-solar RPO targets, the Company has contracted wind generation and generation from small hydroprojects. Shortfall in meeting RPO is being met by purchase of Renewable Energy Certificates (RECs). For meeting its Solar RPO target, the Company has contracted to procure 40 MW solar power. During 2016-17, the Company purchased 294.84 million units of power from non-conventional sources, amounting to ₹ 232 crore which amounts to 5.25 per cent of electricity purchased during the year. In addition to the above, the Company also purchased Renewable Energy Certificates equivalent to 440.33 million units aggregating to ₹ 66 crore.

### Standby Charges

TPC filed a civil appeal before the Hon'ble Supreme Court of India against the Company, claiming that the Company should pay the standby charges to them, at the same rate per KVA, as TPC paid to erstwhile Maharashtra State Electricity Board (MSEB). The Company contended that a part of standby charges payable by TPC to MSEB was recovered through tariff and hence, they were not liable to pay at the same rate at which TPC paid the charges to MSEB. The Company received ₹ 227 crore, being 50 per cent of the amount directed by the ATE as refund to the Company and for balance ₹ 227 crore, TPC has given bank guarantee to the Hon'ble Supreme Court pending disposal of the appeal. The matter is still pending before the Hon'ble Supreme Court.

### Take or Pay

MERC passed an order on December 6, 2007 on a petition filed by TPC in 2001 relating to Additional Energy Charges (AEC) and Take or Pay for financial years 1998-99 and 1999-00 holding that an amount of ₹ 116 crore would be payable by the Company with interest at 24 per cent per annum. Pursuant to this order, TPC raised a claim together with interest for ₹ 324 crore. The Company filed an appeal before the ATE, which held that additional energy charges were payable but remanded the issue of Take or Pay to the MERC for re-determination. The Company filed an appeal with the Supreme Court against the said judgment of the ATE, while TPC has also filed an appeal in respect of Take or Pay. TPC in the hearing before the Hon'ble Supreme Court claimed that they were asked to pay 50 per cent of the amount in the standby charges matter and thus similar order should be passed against the Company to deposit the amount. As directed by the Hon'ble Supreme Court, the Company paid ₹ 25 crore to TPC and provided Bank Guarantee of ₹ 9 crore to the Hon'ble Supreme Court. The matter is admitted and awaiting final hearing before the Hon'ble Supreme Court.

### Long Term Power Procurement

To meet the demand of our consumers, in reliable and cost effective manner, RInfra has contracted 600 MW power on long term basis with effect from April 1, 2014 from Vidarbha Industries Power Limited (VIPL) from its 2X300 MW thermal plant located at Butibori, District Nagpur in the State of Maharashtra. This long term PPA is approved by MERC and tariff is determined under Section 62 of the Electricity Act, 2003. In addition, the Company's own 500 MW generation station i.e Dahanu Thermal Power Station (DTPS) continues to supply power to consumers in supply area of RInfra. The supply of power from DTPS is in accordance with the costs and other allowable charges as approved by MERC.

### Quality

In our continuous endeavour to build a sustainable quality culture, the Company has consolidated its quality movement further. Over 1,000 employees are engaged in over 30 quality projects, using methodologies such as kaizen, 5 'S', Small Group Activities and Six-Sigma. The Company participated with 8 quality projects in the Mumbai Chapter convention of the Quality Circle Forum of India (QCFI) held in October, 2016 and bagged 6 Gold and 2 Silver trophies. One Quality project was nominated for the National Convention at Raipur in December, 2016 and bagged the top honours i.e. 'Par-Excellence' trophy.

Our continuous efforts towards improving Process Quality by aligning the processes to ISO 9001:2008 standard enabled smooth recertification of Mumbai Distribution Business. In our continuous endeavor towards preventing environmental pollution, the Company has taken a lot of initiatives and all our key processes are aligned in line with our Environmental Policy. As a result, Mumbai Distribution Business is able to sustain EMS (ISO 14001:2004) certification.

### Demand side Management and Energy Conservation Programmes

The Company conducts energy conservation and energy efficiency (EC and EE) programmes to create awareness in the society on the importance of energy conservation and smart usage of energy in order to reduce system demand and power purchase cost as also to achieve reduction in environmental

damage by Green House Gas (CHG) emission. The ultimate goal is to make every citizen of Mumbai a part of this programme and make this programme as citizen's movement.

During the year, the Company conducted 5-Star Split Air Conditioner (AC) programme for residential consumers for replacing old window AC units with energy efficient 5-star rated split ACs, with total replacement of 1,450 ACs and estimated saving of 1.22 million units. The Company also conducted similar programme for commercial and industrial consumers with total replacement of 250 old window AC units with energy efficient 5 star rated split ACs and estimated saving of 0.13 million units. The Company also conducted the detailed energy audit scheme by providing detailed energy audit services to its commercial and Industrial category consumers. Under this scheme, total 49 consumers have been covered with energy saving potential of over 14.93 million units. The Company continues to pursue other programmes, such as, walkthrough energy audit services at no cost to consumers, under which company has covered over 125 consumer numbers with potential saving of 1.93 million units. The Company has already completed replacement of 25,000 old Ceiling Fans by 5 Star Ceiling fans, AC automation programme for commercial and industrial consumers with the objective of automation in air conditioning for chiller plant, ductable split, cassette and package air conditioners, replacement of 6,500 old Refrigerators by 5 Star Refrigerators for residential consumers. The Company is also facilitating and promoting DELP (Domestic Efficient Lighting Program) which is under Ministry of Power, of the Government of India under which 2.8 lakh LED bulbs and tube lights are distributed in association with Energy Efficiency Services Limited (EESL) to residential consumers resulting in cumulative energy saving of 3 million units till date. All these Energy Conservation programmes for consumers have resulted into combined estimated saving of 7 million units this year and cumulative saving of 18 million units till date.

Besides these consumer oriented programmes, the Company, within its own offices and facilities, through various energy efficiency and energy saving measures, viz. Automated Demand Response programme, AC Automation, Thermo-conductive liquid application in AC units, installation of LED Lights, Motion and Occupancy Sensors, Sun-films, AC Energy Saver units, etc. has achieved an estimated saving of 0.55 million units this year and cumulative saving of 1.13 million units till date.

The Company through Urja Samvardhan Upakaram programme, conducted workshops in various academic institutions, offices, banks, hospitals, industrial estates, housing societies, slum areas, etc. reaching out to more than 11,500 consumers and educated them on 'Why to conserve and how to conserve energy'.

The Company through "Let's Turn Around" campaign sensitised employees and other stakeholders on environmental issues by conducting environmental management programmes thereby aiming to reduce the organization's carbon foot print every year. The Company celebrates major environmental events to create wide scale employee and customer sensitisation and to further raise the environmental awareness amongst them.

With sound environment policy in place, the Company is committed to safeguarding the environment while aiming at sustainable development. Preservation and promotion of environment is of fundamental concern in all its business activities and with this spirit, the Company has effectively established and implemented Environmental Management System (EMS) based on ISO 14001: 2004 standard and has been successfully certified against the standard in June, 2015.

## Delhi Power Distribution Business

### Revenue

The Delhi distribution companies (Discoms), viz., BSES Rajdhani Power Limited (BRPL) in south and west, and BSES Yamuna Power Limited (BYPL) in east and central Delhi registered an aggregate income of ₹ 13,708 crore (BRPL ₹ 8,932 crore and BYPL ₹ 4,776 crore) against ₹ 13,690 crore (BRPL ₹ 8,919 crore and BYPL ₹ 4,771 crore), a marginal increase over last year.

### Expenses

The overall aggregate power purchase cost increased from ₹ 9,592 crore (BRPL ₹ 6,395 crore and BYPL ₹ 3,197 crore) to ₹ 10,152 crore (BRPL ₹ 6,921 crore and BYPL ₹ 3,321 crore), an increase of 5 per cent. Other operating expenses are in line with cost control objectives of discoms, which was achieved by following stringent budgetary control and rigorous monitoring of all expenses and commercial processes.

### CAPEX and Network Up gradation

The aggregate capital expenditure incurred during the year amounted to ₹ 731 crore (BRPL ₹ 484 crore and BYPL ₹ 247 crore) for up gradation, strengthening and modernization of the distribution system. The aggregate net block including CWIP (Capital Work in Progress) stood at ₹ 5,967 crore (BRPL ₹ 3,857 crore and BYPL ₹ 2,110 crore).

### Customer Base

The total number of customers grew by 4 per cent to 39.2 lakh (BRPL- over 23 lakh and BYPL - over 16 lakh) in 2016-17 from 37.5 lakh in 2015-16.

### System Reliability and Loss Reduction

During 2016-17, Delhi discoms delivered the system reliability of over 99.85 per cent. The AT&C loss was reduced to 10.7 per cent from 12.7 per cent in BRPL and 12.7 per cent from 15.7 per cent in BYPL during the year.

### System Demand

During the year, Delhi discoms serviced the highest ever peak demand of 4,162 MW.

BRPL			BYPL			BSES Combined		
2016-17	2015-16	Growth	2016-17	2015-16	Growth	2016-17	2015-16	Growth
2,669	2,555	4%	1,493	1,355	10%	4,162	3,910	6%

### Key Regulatory Developments

- No tariff orders in 2016-17, the last valid order was released in September 2015 with NIL tariff hike.
- MYT Tariff Regulations 2017: DERC Regulations (Terms and Conditions for Determination of Tariff) were notified in official gazette and have come into force from February 1, 2017.
- DERC Regulations (Supply Code and Performance Standards 2017) uploaded on DERC's website seeking comments by all the stakeholders. BSES discoms have already submitted their Suggestions/ Comments/ Objections in March 2017.

## Management Discussion and Analysis

### Power Generation Business

#### Dahanu Thermal Power Station (DTPS)

DTPS operates the 2 x 250 MW power plant and continues to maintain its numero uno operational position among the power stations in the country. The power station has the distinction of achieving a Plant Load Factor (PLF) of greater than 100 per cent consecutively for seven years and overall nine times. In FY17, the PLF was 85.45 per cent which was mainly on account of low demand in the western grid and backing down of generation as per State Load Dispatch Centre (SLDC) instructions. The station generated 3,742 million units (MUs) along with plant availability of 96.3 per cent.

DTPS is certified for various management systems such as Integrated Management System (comprising Quality ISO 9001:2015, Environment 14001:2015, BS OHSAS 18001:2007 and Energy Management System ISO 50001:2011), Information Security Management System ISO 27001:2013 and Social Accountability SA 8000:2008. DTPS coal testing laboratory is accredited for ISO 17025:2005 Laboratory Management System by the National Accreditation Board of Laboratories (NABL). Audit for certification/ recertification / surveillance is being carried out on schedule to ensure continuity of the Management system. In 2016-17, DTPS was certified for Asset Management System ISO 55001:2014 and recertified for Integrated Management system (ISO 9001:2015, ISO 14001:2015 and BS OHSAS 18001:2007).

#### Samalkot Power Station

The Samalkot Power Station operates the 220 MW combined cycle power plant at Samalkot in the State of Andhra Pradesh. The 220 MW plant uses natural gas, an environment friendly fuel, as the primary fuel and naphtha/high speed diesel as the secondary fuel. The station is certified with ISO 9001, ISO 14001, OHSAS 18001, ISO 27001 and SA8000 standards. The power station is under preservation due to inadequate gas availability and payment issues with AP Transco. However plant availability is 100 per cent.

#### Kochi Power Station

BSES Kerala Power Limited (BKPL), the wholly owned subsidiary of the Company, owns and operates the 165 MW naphtha based combined cycle power station at Kochi in the state of Kerala. The term of the current Power Purchase Agreement (PPA) expired on October 31, 2015. The Company had submitted a detailed proposal in January 2015 for extending the term of the PPA for a further period of 10 years along with a proposal for conversion of the plant from Naphtha to Gas based. In July 2015, Kerala State Electricity Board Limited (KSEBL) intimated that their Board has accorded in principle approval for extending the PPA on Naphtha for two more years and fuel conversion will be considered in due course. Kerala State Electricity Regulatory Commission (KSERC) vide its order dated October 28, 2015 in reply to the petition filed by BKPL for the approval of extension of PPA, directed KSEBL to file a petition with mutually agreed tariff and terms and conditions incorporated in the draft PPA. Meanwhile, the Government of Kerala vide its order dated February 12, 2016 accorded in principle sanction to extend the PPA for two more years from the date of expiry of the existing PPA provided the final tariff as decided by KSERC would be brought back to the Government for approval. KSEBL through the letter dated March 25, 2017 intimated that their Board of Directors has decided

against extending the PPA with BKPL due to the high cost of power compared to the cheap power available from alternative sources. Meanwhile KSEBL has submitted a proposal to the Government of Kerala for its policy decision for buyout of the plant. BKPL is certified for Integrated Management System, comprising Quality ISO 9001:2008, Environment 14001:2004, OHSAS 18001:2007 and Energy Management System ISO 50001:2011.

### Power Transmission Business

**Western Region System Strengthening Scheme II (WRSS-II)**– Reliance Power Transmission Limited (RPTL), a subsidiary of the Company, secured two projects through international competitive bidding on build, own and operate (BOO) basis. These involved construction, maintenance and operation of nine transmission lines of 3,064 circuit km length i.e. six lines with length of 2,090 circuit km to be executed by Western Region Transmission (Maharashtra) Private Limited (WRTMPL) and three lines with length of 974 circuit km by Western Region Transmission (Gujarat) Private Limited (WRTGPL). All lines are being operated successfully with more than 99.9 per cent availability. These projects are backed by a sound payment security mechanism now introduced by the Central Electricity Regulatory Commission (CERC) in the sector for all inter- state transmission projects under the Point of Connection Charges (PoC) mechanism. RInfra has executed a Share Purchase Agreement with Adani Transmission Limited (ATL), whereby, the two transmission projects will be transferred to ATL subject to necessary approvals.

**Parbati Koldam Transmission Corporation Limited**– This project is a joint venture of RInfra (74 per cent) with Power Grid Corporation of India Limited (26 per cent) under build, own and operate structure. It has been developed under a cost plus tariff model which includes construction, maintenance and operation of 400 kV transmission lines evacuating power from Power Plants situated in Himachal Pradesh viz 800 MW Parbati-II and 520 MW Parbati-III Hydro Electric Project (HEP) of NHPC, 800 MW Koldam HEP project of NTPC and 100 MW Sainj HEP of HPPCL with total line length of 457 circuit kms. The power evacuated from the HEPs shall benefit the northern region states of Uttar Pradesh, Rajasthan, Punjab, Haryana, Jammu and Kashmir, Himachal Pradesh, Delhi, Chandigarh and Uttarakhand. PKTCL has had an excellent track record in its project execution and consequent favourable orders from the CERC which has recently issued the final tariff orders to PKTCL, allowing the full cost as claimed in its transmission tariff petitions. In spite of the treacherous terrain, all lines are being operated successfully with more than 99.5 per cent availability. During the year, the Company has signed term sheet with Adani Transmission Limited for sale of 74 per cent stake in the project, subject to necessary approvals.

**Mumbai Power Transmission** – The Mumbai Power Transmission Division operates eight 220 kV Extra High Voltage (EHV) substations with aggregate transformation capacity of 3,000 MVA and around 540 ckms of 220 kV lines. Five out of the eight, 220 kV EHV substations are new technology vertically designed, multi- storied and compact Gas Insulated Switch gear (GIS) based EHV sub - stations. The transmission network is connected at nine points with the state grid further strengthening the Mumbai power system. The Division always thrives to adopt best practices and tireless efforts to keep its high standards of maintaining its network system availability and registered 99.80



per cent availability for 2016-17 which is above the norms set by the regulator, thereby operating consistently in the incentive zone.

The Company is executing 220 kV cable connectivity schemes, 220/ 33 kV 125 MVA additional transformer installation, 220 kV GIS bays extension schemes to strengthen the system. The Company has applied for transmission license amendment to MERC for inclusion of new 220 kV connectivity scheme.

The Mumbai Power Transmission Division continues to actively participate in promoting quality standards. At the City Chapter for Quality Circle, 2016 (CCQC), 18 teams won Gold and 5 teams won Silver trophies. All 7 team won Par Excellence trophies at National Chapter for Quality Circle, 2016 (NCQC). The Division also marked its presence at the International Chapter for Quality Circle, 2016 (ICQC) and won 2 Gold trophies.

The Scheme of Arrangement between the Company and Reliance Electric Generation and Supply Limited and their respective shareholders and creditors ('Scheme') had been approved by the Hon'ble High Court of Bombay on January 19, 2017. As per the order passed by the High Court, the Scheme shall not become effective until and unless written consents to the Scheme are obtained from all the secured and unsecured lenders of the Company and approvals are received from the regulatory authorities.

**North Karanpura Power Transmission Project** - The North Karanpura Transmission Project is on build, own, operate and maintain basis which involves construction of three 765 kV transmission lines of length of about 800 km and two 400 kV transmission lines of length of about 240 km. This project is being implemented by the Company's special purpose vehicle, North Karanpura Transmission Company Limited. These lines would connect Lucknow, Bareilly, Meerut, Agra, Gurgaon, Sipat and Seoni. The project also involves construction of one 400/220 kV GIS substation at Gurgaon. All conditions subsequent to Transmission Service Agreement were completed by NKTCL, but there was huge delay in receipt of enabling clearances to start construction, namely, authorization under Section 164 of the Electricity Act, 2003. The petition was filed with Central Electricity Regulatory Commission (CERC) seeking compensation based on force majeure events seeking various relief measures in terms of tariff escalation and time extension for project completion. NKTCL challenged the CERC order in Appellate Tribunal for Electricity (APTEL), which was further challenged by beneficiaries in the Hon'ble Supreme Court. The case is subjudice and is currently with the Hon'ble Supreme Court. Another case is subjudice with APTEL against license revocation order of CERC in petition filed by PGCIL.

**Talcher II Augmentation Project** - This project is on build, own, operate and maintain basis which involves construction of three 400 kV double circuit transmission lines of 670 kms. These lines would connect Talcher, Rourkela, Behrampur and Gazuwaka. One substation of 400/220 kV at Behrampur is also in the scope of execution of the project. All conditions subsequent to Transmission Service Agreement were completed by Talcher II Transmission Company Limited, but there was huge delay in receipt of enabling clearances to start construction, namely, authorization under Section 164 of the Electricity Act, 2003. The petition was filed with CERC based on force majeure events seeking compensation and various relief measures in terms of tariff escalation and time extension for project completion.

TTCL challenged the CERC order in APTEL which was further challenged by beneficiaries in the Hon'ble Supreme Court. The case is subjudice and is currently with the Hon'ble Supreme Court. Another case is subjudice with APTEL against license revocation order of CERC in petition filed by PGCIL.

### EPC business

The EPC Division is a leading service provider of integrated design, engineering, procurement and project management services for undertaking turnkey contracts including coal-based thermal projects, gas-power projects, transmission lines, infrastructure projects, viz. road projects.

The Division is equipped with the requisite expertise and experience to undertake the EPC projects within the budgeted cost and time frame, ensuring customer satisfaction in terms of quality and workmanship. The business has constructed various greenfield projects in small, medium, large and mega categories in the last two decades.

The following major projects are currently under execution by the EPC business.

#### **6 x 660 MW Sasan Ultra Mega Power Project (UMPP), Madhya Pradesh**

Sasan UMPP is one of the largest domestic coal based power plants executed by the EPC Division of the Company. The Division successfully commissioned all the six units and the power station is now under commercial operation.

#### **Sasan Mine (Moher and Moher-Amroli extension) Infrastructure for Sasan UMPP**

The Government had allocated Moher and Moher-Amroli extension coal mines in the Singrauli coal fields to Sasan Power Limited, the project company developing the Sasan UMPP. Coal production from the mines have commenced in September 2012. Two draglines having bucket capacity of 61.5 cubic meters, which is twice the size of the largest dragline ever to be used in India, are commissioned.

#### **2 x 300 MW Butibori Power Project in Maharashtra**

Both the units have been completed and are under commercial operation. Final takeover of both the units has been obtained.

#### **2 x 600 MW Raghunathpur Thermal Power Station in West Bengal**

The project was awarded to the Company by Damodar Valley Corporation (DVC) for 2 x 600 MW Thermal Power Plant at Raghunathpur in West Bengal. Successfully achieved - Commercial Operation Date (COD) for both units of 600 MW each, first of this magnitude in West Bengal. Certificate for Completion of facilities obtained for both units from client DVC. Operational Acceptance Certificate obtained for majority of non plant buildings inside plant premises. Overall, 99.73 per cent progress achieved till March 2017.

#### **2 X 600 MW Rajiv Gandhi Thermal Power Project, Hisar, Haryana**

The project is a turnkey project awarded by Haryana Power Generation Corporation Limited (HPGCL) for generating power in Haryana. Both units have been completed and are under commercial operation by HPGCL and Final Takeovers (FTO) of both units have been obtained from HPGCL.

## Management Discussion and Analysis

### **2 x 250 MW Paricha Thermal Power Project –II (Unit 5 and 6) (Balance of Plant Package)**

The project of the Balance of Plant package was awarded to the Company by Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited for the 2 X 250 MW Paricha Thermal Power Plant Extension–II. COD of Units No. 5 and 6 have been achieved.

### **EPC contract of Road Projects**

The EPC Division is also executing contracts for development of various toll roads awarded to the SPVs of the Company. During the year, the EPC Division achieved significant progress on these projects. Four of the toll projects which are under construction viz. Pune–Satara toll road, Hosur– Krishnagiri toll road, Kandla–Mundra toll road and Delhi – Agra toll road have also made satisfactory progress of 90 per cent, 100 per cent, 96 per cent and 75 per cent of the project work respectively.

### **EPC contract of IT Projects**

The EPC Division is also executing contracts for development of two IT projects of the Company, namely, Bihar State Power Holding Company Limited and Chattisgarh State Power Distribution Company Limited.

### **Major orders received during the year**

#### ***Bithnok Thermal Power Plant (1 x 250 MW) and Barsingsar Thermal Power station (1 x 250 MW), Rajasthan***

RInfra has won a prestigious EPC order for ₹ 3,675 crore from Neyveli Lignite Corporation Limited for setting up two lignite based Circulating Fluidized Bed Combustion (CFBC) thermal power projects with a capacity of 250 MW each. The contract entails complete EPC on turnkey basis. Site mobilization and preliminary work has started at the site.

#### ***Vikaravandi to Pinalur–Sethiyahopu section of NH–45C in the State of Tamil Nadu***

The Project is awarded by National Highways Authority of India (NHAI) for improvement and augmentation of four laning from Vikkaravandi to Pinalur–Sethiyahopu section of NH–45C in the State of Tamil Nadu under NHDP –IV of length 66 kms.

### **Roads Projects**

Reliance Infrastructure is amongst the top NHAI concessionaires with investment of over ₹ 11,600 crore across eleven road assets. All projects are revenue operational which are majorly urban centric roads in high traffic density corridors and on Golden Quadrilateral spread across 6 states in India. During the year, the Company has won arbitration awards amounting to Rs 170 crore for 2 road projects.

### **Project Details**

- **NK Toll Road Limited:** The project stretch of 41 Kms long 4 lane NH7 road is in operation since August 2009. NH 7 is one of the busiest sections of the north south corridor of South India.
- **DS Toll Road Limited:** The project stretch of 53 Kms long 4 lane connecting Dindigul and Samayanallore near Madurai in Tamil Nadu is in operation since September 2009 and has considerable industrial traffic due to its proximity to Madurai industrial hub, textile industries in Coimbatore and

Tirupur and provided connectivity to pilgrim and tourist traffic visiting Meenakshi temple of Madurai, Palani temple and Kodaikanal hill resort.

- **TD Toll Road Private Limited:** The project stretch of 87 km long 4 lane NH45 road is in operation since January 2012 and provides connectivity to Tiruchy and Dindigul in Tamil Nadu. Expansion of Tuticorin Port and upcoming Industrial part in Madurai district would provide impetus to traffic growth along the stretch.
- **TK Toll Road Private Limited:** The project commenced commercial operations in February 2014 for 80 km long 4 lane NH67 road. It provides connectivity from Tiruchy to Karur and the stretch runs parallel to river Cauvery which is also known as the sand bank of India. The upcoming greenfield Nagapatinam Port will further increase traffic on this road.
- **SU Toll Road Private Limited:** The project commenced commercial operations in July 2012 and further the 3<sup>rd</sup> toll plaza was put in operation in October 2012. The project stretch is a 136 km long 4 lane NH68 road from Salem to Ulundurpet in Tamil Nadu and carries freight traffic predominantly between Coimbatore/ Salem and Chennai/ Cuddalore port.
- **GF Toll Road Private Limited:** The project commenced the commercial operations in June 2012 and is a 66 km long 4 lane road connecting Gurgaon and Faridabad and Ballabgarh–Sohna road. It is Haryana Public Works Department project and the stretch also serves as partial ring road to Delhi connecting two important commercial and residential settlements in Gurgaon and Faridabad. The traffic growth in the stretch of GF is quiet high and to facilitate the same electronic toll collection lanes have also been provided thereby reducing waiting time for commuters at the toll plazas.
- **JR Toll Road Private Limited:** The project was set up with the objective to design, build and operate 52 km long 4 lane NH11 road connecting Reengus in northern part of Rajasthan to its capital city, Jaipur. The project has commenced commercial operations in July 2013 and experiences heavy traffic comprising both commercial and private vehicles.
- **HK Toll Road Private Limited:** The project was set up with the objective to design, build and operate 60 km long 6 lane NH7 road between Hosur and Krishnagiri in Tamil Nadu which is part of the golden quadrilateral, connecting Bengaluru to Chennai and other southern parts of India. Tolling on the project started in June 2011 and the partial COD (PCOD) for the project was awarded in April 2016. There is substantial commercial traffic growth on the stretch. Premium deferment for the project has been availed as per the cabinet approved policy.
- **PS Toll Road Private Limited:** The project was set up with the objective to design, build and operate 140 km long 6 lane NH4 road between Pune and Satara in Maharashtra. The project is a part of the golden quadrilateral which connects Mumbai and Bengaluru. Tolling on the project started in October 2010 and the construction works are in full swing. The stretch attracts tourist traffic of Mahabaleshwar, Panchgani, Balaji temple and Pandharpur temple and agro processing clusters.

- **DA Toll Road Private Limited:** The project was set up with the objective to design, build and operate 180 km long 6 lane NH2 road between Delhi and Agra in the state of Uttar Pradesh. Tolling on this road commenced in October 2012 and the construction work is in full swing. The stretch passes through the Faridabad industrial hub, pilgrim locations of Mathura, Vrindavan and Govardhan Parbat and ends at the tourist location of Agra. There is considerable industrial and passenger traffic growth which is expected to further increase on completion of the stretch.
- **KM Toll Road Private Limited:** The project was set up with the objective to design, build and operate 71 km 4 lane NH8A road between Kandla and Mundra ports in Gujarat which achieved partial COD in November 2016 for a length of 56 km & tolling operations commenced from November 7, 2016. The stretch provides connectivity to two major ports of India, thus attracting substantial cargo traffic and also caters to the traffic generated by various industries in the project influence area.

### Information Technology (IT) in the Road Business and going digital

IT has always played vital role to enable RInfra not only meet customer expectations but also to innovate. An evolving IT infrastructure set up provides finesse to the integrated methods of conducting business. With Government's initiative to implement Electronic Toll Collection (ETC) lanes across India for facilitating seamless travel to road users, RInfra is amongst the first few concessionaires to ensure all our toll plaza's are equipped with ETC equipment and infrastructure. All toll plaza's ETC has been made "Go Live" as per the requirement of Indian Highways Management Company Limited. This will facilitate road users to travel across India with single tag mounted on vehicle without stopping at any plaza.

Reliance has been one of the early movers to adapt to new technology for measuring the weight while vehicle is still in motion. The Government has taken strong initiatives to curb the overloading on roads installation of -Weigh-in-motion (WIM) will not only prevent in checking the overloading but will also provide safety to users and prevent damages to road. RInfra successfully commissioned WIM at all 10 NH projects. All toll plazas are connected with Head office network enabling 24X7 live monitoring of plaza video feed to ensure better compliance. Successful implementation of various user services such as SMS alert for recharge to road users, Hand Held Device Integration to reduce wait time at plaza etc.

Various technology initiatives are implemented for catering specific needs of toll operations such as mobile hand held terminal integrated with Toll Management System for reducing wait time at toll booths, centralized video surveillance for compliance monitoring, etc.

The Government has implemented a nationwide ETC based on passive Radio Frequency Identification (RFID) technology, providing electronic collection of toll through FASTags thereby removing traffic bottleneck and ensuring seamless movement of vehicles and hassle-free toll collection. Road users are increasingly availing the FASTags facility offered on toll roads.

E- Tolling was facilitated in a big way after demonetisation. After the initial suspension of toll collection in November' 2016, when tolling was resumed from December 03, 2016, elaborate arrangements were made for payment of fees via several

electronic means such as use of Point of Sale (POS) machines for collecting user fees through Credit/Debit card, various pre-paid payment instruments and FASTags are being encouraged among road users. The total collection of user fees through electronic means has increased to 16 per cent of daily average user fee collection in March, 2017 against a meager 3 per cent in September, 2016.

### Quality Initiatives

RInfra road projects obtained successful recertification of ISO 9001:2008 for all its 11 projects. In line with the Company's policy we are in the process of transition to QMS 9001:2015 standards. With standardized IT practices and processes, the Company has successfully passed the recertification audit for ISO 27001, conducted by the global firm, British Standards Institute (BSI), at its Pune-Satara and Hosur-Krishnagiri toll roads.

### Metro Railways

#### Mumbai Metro One Private Limited (MMOPL)

The Mumbai Metro Line-1 project of the Versova- Andheri-Ghatkopar corridor was awarded by the Mumbai Metropolitan Region Development Authority (MMRDA) through global competitive bidding process on public private partnership (PPP) framework to the consortium led by the Company for 35 years period including construction period. For implementation of the project, a special purpose vehicle, viz. MMOPL was incorporated. Due to complexity of project, Mumbai Metro line 1 can be hailed as one of the most prestigious infrastructure projects.

MMOPL is in its third year of commercial operation and continues to provide world class public infrastructure to city of Mumbai and has served more than 280 million customers from inception. Currently, an average of 3.5 lakhs commuters per day are using the service of the metro, making it busiest metro in India and 8<sup>th</sup> densest metro in the world.

MMOPL has continued to achieve excellence in field of public transport operation. It has been achieving 100 per cent train availability and 99.9 per cent on time performance since inception. Rolling Stock and Civil Maintenance process of Mumbai Metro Line 1 are certified as ISO 9001. This year, the metro obtained clearance for increasing the maximum speed of train from 65 Km/h to 80 Km/h. Also, through efficient utilization of platforms, crossovers and signaling system, peak hour frequency has been increased by over 4 per cent. Currently, the trains are being operated from 5:30 A.M. to midnight with a highest frequency of 3 minutes 27 seconds in peak hour.

MMOPL is committed towards Swachh Bharat Abhiyaan and Digital India initiative and has accordingly introduced Swachh App for maintaining the cleanliness of stations along with various cashless initiatives. The metro has enabled all its stations for cashless transactions through integration with various payment channels such as Paytm and Freecharge. Also, the Company has launched combo credit card with ICICI and SBI which automatically recharges once balance is less than ₹ 50. It is worth to mention that integration of various payment channels for ticketing and recharge is among the highest in Indian transportation sector. The Company wants to push forward Digital India initiative and is therefore working on mobile ticketing through QR code.

The metro has partnered with Brihan Mumbai Electric Supply and Transport (BEST) and App based taxi services for providing last mile connectivity to commuters. Also for increasing the customer

## Management Discussion and Analysis

engagement with metro, the Company has successfully organized event such as "Majhi Metro " and "My Metro My Story".

This year, the metro has introduced station branding as a new source of non-fare revenue. MMOPL has successfully executed the branding of its Western Express Highway (WEH) Station as Magic Bricks WEH Station and Andheri station as Bank of Baroda Andheri station. The Company has continued to explore traditional sources of non-fare revenue such as retails, advertisement and train wraps. The company continued to retain large retailers such as Dominos, Lite Bite Foods, Havmor Ice-creams, Jumbo King etc for retail space.

Sustainability is one of the priorities of MMOPL and accordingly the metro has converted all lightings of Depot and Ghatkopar stations into LED. The works on other stations are in progress. MMOPL has also awarded the contract for installation of solar rooftop at stations for which work is likely to be completed in this fiscal year.

The initial fare was fixed by the Company in line with the provisions of the Metro Railways (Operations and Maintenance) Act, 2002 ('Metro Act') as ₹ 10, ₹ 20, ₹ 30 and ₹ 40 for travelling between stations. The 1<sup>st</sup> Fare Fixation Committee (FFC) constituted by Government of India under the provisions of Metro Act, 2002 recommended on July 8, 2015 the fare of ₹ 10 to ₹ 110 for travelling between stations. The Company has adopted the revised Fare as the same is binding under the Metro Act. However, the Company is maintaining the earlier fare by offering discount on the adopted Fare recommended by FFC. The implementation of recommendation of FFC has been stayed by Hon'ble Bombay High Court on petition filed by MMRDA. The matter is sub judice.

### Delhi Airport Metro Express Private Limited (DAMEPL)

The New Delhi Airport Metro Express Line had been developed, financed, constructed, operated and envisaged to be maintained by the consortium for concession period of 30 years, through a special purpose vehicle i.e DAMEPL. The said metro line was the first PPP project to be operational in Indian metro rail space. The project became operational in February 2011 and was successfully operated for 16 months.

However, due to defects in the civil structures designed and constructed by Delhi Metro Rail Corporation (DMRC), the operations had to be first suspended with effect from July 8, 2012, for a period of about 8 months. The Company terminated the concession agreement and the project was handed over to DMRC owing to DMRC failure to cure substantial defects in civil structure designed/built by them within the prescribed period under the provisions of the concession agreement and also on account of 'Material Breach' and 'Event of Default' by DMRC arising under the Agreement as a result thereof. Currently, the Metro line is being operated by DMRC with effect from July 1, 2013. The termination of concession agreement has been referred to arbitration proceedings. The proceedings have been completed and the award is expected shortly.

### Mumbai Metro Transport Private Limited (MMTPL)

The Charkop-Bandra-Mankhurd corridor Mass Rapid Transit System (MRTS) project was awarded by MMRDA through a global competitive bidding process on PPP framework to RInfra SPV i.e. MMTPL. The concession agreement was executed on January 21, 2010 between the Government of Maharashtra

(GoM) and MMTPL which has been terminated on November 11, 2014 due to nonfulfilment of important obligations by GoM/MMRDA despite the best efforts by the Company. The parties (MMTPL and GoM) have terminated the concession agreement at no cost or claim to both parties and GoM has returned the bank guarantee to MMTPL. All commitments/liabilities of RInfra towards the project including commitments towards funding the project have been annulled with immediate effect with termination of the Concession Agreement.

### Airport Business

RInfra through its subsidiary, Reliance Airport Developers Private Limited (RADPL), was awarded lease rights to develop and operate five brown field airports in the State of Maharashtra at Nanded, Latur, Baramati, Yavatmal and Osmanabad in November 2009 by the Maharashtra Industrial Development Corporation (MIDC) for 95 years. All five airports are fully operational, handling charter aircraft movements and have potential for further traffic growth due to increased economic and industrial activities in the region. The Aerodrome license in Public-Use category by Directorate General of Civil Aviation (DGCA) for Nanded Airport is valid up to April 2018. The airport is capable of handling scheduled flight operations up to aircrafts like Airbus 320/Boeing 737. Aviation training academies are set up at Baramati and Osmanabad Airports. The resurfacing of Baramati airport runway has been done recently and the Airport is safe for flight operations.

### Cement Business

During the year, the Company completed 100 per cent sale of its shareholding in Reliance Cement Company Private Limited to Birla Corporation Limited for enterprise value of ₹ 4,800 crore.

### Defence Business

The Company ventured into the defence sector through its subsidiary, Reliance Defence Limited, conceived in line with the Group's vision of bringing in cutting edge and state-of-the-art technology to the country. To this end, the company has sealed a number of strategic partnerships and Joint Ventures with leading original equipment manufacturers (OEMs) for development of these state of the art weapon systems indigenously. Reliance Defence Limited has 13 subsidiaries, equipped with 35 Industrial Licenses for manufacture of across the spectrum Defence platforms, equipments, systems and weapons. Reliance Group's mission in the Defence sector is to acquire capabilities and develop indigenous production in: (a) Surface & sub-surface ship building and development (b) Fighter Aircraft, Helicopter, Unmanned Vehicles and Avionics (c) Missiles, Unmanned Systems and C4ISR systems (d) Land based weapon platform and systems and (e) Future Technology in the Defence Sector.

The Company's first major milestone was the acquisition of Pipavav Shipyard, the largest acquisition in the Indian defence sector. Reliance Defence and Engineering Limited (RDEL), (formerly Pipavav Defence and Offshore Engineering Company Limited) has the largest engineering infrastructure in shipbuilding industry in India.

It is the first private sector company in India to obtain licenses and contracts to build warships for the Indian Navy. The shipyard has the largest dry dock in the country and second largest in the world. The facility houses India's only modular shipbuilding facility spread over 2.1 million sq.ft.



# Reliance Infrastructure Limited

## Management Discussion and Analysis

Post taking over management, RDEL has in a short time, effected a complete turnaround achieving close to 70 per cent progress on the first 2 Naval Offshore Patrol Vehicles (NOPVs) and average 30 per cent on the remaining three NOPVs. RDEL also won a contract for design and construction of 14 Fast Patrol Vessels for the Indian Coast Guard. This is the first time, a private sector shipyard has been awarded a contract to design and build a warship for Indian Armed forces. Reliance Naval Systems, aimed at development of Systems Integration in the Naval Combat Management Systems, Integrated Bridge Systems and the Integrated Platform Management Systems is also accredited by the Indian Navy. RDEL has strategic agreements for construction of Commercial and Naval Ships – including Frigates, Destroyers and other specialized vessels.

In another first for an Indian shipyard, RDEL signed a Master Ship Repair Agreement (MSRA) with U.S. Navy. It is now approved contractor to perform complex repair and alteration services for the U.S. navy Seventh Fleet vessels operating in the region. The fleet consists of about 100 vessels of different types.

Reliance has formed a partnership with Dassault Aviation in line with Prime Minister Modi's "Make in India" and "Skill India" policies through a Joint Venture (JV) Company named Dassault Reliance Aerospace Limited (DRAL). It will develop major Indian programs with high level of technology transfer to benefit the Indian aerospace sector. The JV Company will be a key player in the execution of offset obligation, including the entire Life Cycle Performance Based Logistics for the 36 fighter aircraft; valued at about INR 30,000 crore. This is a part of the purchase agreement between the Indian and French Governments.

DRAL will be co-located at the planned Dhirubhai Ambani Aerospace Park at MIHAN Nagpur. Comprising a cluster of manufacturers, it will indigenously deliver platforms including Aircraft and Helicopters, major components, spares, avionics and systems integration solutions for the Aerospace Industry. The project will create a comprehensive eco structure that will integrate domestic content manufacturing through MSMEs and niche segment enterprises in Aviation sector.

In Land Systems, Reliance Defence Limited has multiple partnerships and agreements with leading global OEMs to manufacture an array of weapons, equipment, platforms, systems and ammunition. Reliance Defence is focused on all three subsectors – Armoured Vehicles, Artillery and Ammunition. This includes specialised platforms such as Main Battle Tanks (MBT), Armoured Tracked and Wheeled Tracked vehicles, C-RAM (Counter Rocket, Artillery, and Mortar) and Artillery systems, Turrets, Advanced Ammunition, Optronics and Logistics.

### Real Estate Business

The Board of Directors of Telangana State Industrial Infrastructure Corporation Limited (TSIIC) (formerly Andhra Pradesh Industrial Infrastructure Corporation Limited), based on the recommendations of independent consultant, submitted a favourable report to the Committee of Secretaries (CoS), formed by the Government of Telangana (GoT) endorsing the demands of the Company under the restructuring package and sought final direction from the GoT in the matter, so that the project activities could be commenced soon. This was further followed up by CBD Tower Private Limited and TSIIC with GoT, where the decision is now pending and awaited.

### Major Associate Company – Reliance Power Limited

Reliance Power Limited (RPower), an associate company in which the Company holds 43.21 per cent of the total equity

stake, has India's largest portfolio of private power generation and resources under development. The portfolio of RPower comprises of multiple sources of power generation – coal, gas, hydro, wind and solar energy. The Company also operates a 20 mtpa capacity coal mine in Singrauli, Madhya Pradesh and is developing coal mines in Indonesia. RPower currently has an operational capacity of 5,945 MW comprising of 5,760 MW of thermal capacity and 185 MW of capacity in renewable energy. The operational thermal capacities include the 3,960 MW Sasan Ultra Mega Power Projects (UMPP) in Madhya Pradesh – the largest integrated power plant and coal mining project in the world. Coal for the project is being mined from the Moher and Moher-Amlohri captive mines. Sasan UMPP operated at PLF of 85 per cent in its second year of full operations. Coal production from Moher and Moher – Amlohri captive mines in 2016-17 was 17 million tonnes. RPower also owns and operates the 1,200 MW Rosa power plant in Uttar Pradesh and the 600 MW Butibori power plant in Maharashtra. Both plants operated with availability of 90 per cent and PLF which was higher than the average PLF of all coal based power plants in the country. In the renewable energy space, RPower operates a 40 MW photovoltaic solar plant and 100 MW thermal solar plant in Rajasthan and a 45 MW wind farm in Maharashtra. Further, more than 10,000 MW of power projects are in various stages of implementation and development. The power projects are planned across geographic locations with diverse fuel types, fuel source and off-take arrangements. As a strategic consideration, the projects are either located near available fuel supply source or load centre, to derive benefit from access to competitive fuel and/or access to power deficit markets. The Company intends to sell a major part of the power generated from these projects under long term PPA to state-owned and private distribution companies.

### Risks & Concerns

The Company's power generation, transmission and distribution facilities are located in India and virtually, all of the Company's revenues including those from the EPC division are derived from the domestic market. Over the years, the Company has made significant investments in various infrastructure sectors like Mumbai Metro, Roads etc. and is now making investments into sunrise sectors like Defence. These sectors may potentially expose the Company to the risk of any adverse impact to the national economy and any adverse changes in the policies and regulations. The Company closely monitors the Government's policy measures to identify and mitigate any possible business risks.

Generation of power at the Company's power stations face headwinds due to various factors including non-availability of fuel, grid disturbances and such other factors of load management in the grid. The Company has entered into agreements with fuel suppliers for adequate supply of fuel, thus mitigating the fuel availability risk. To remain unaffected by the grid differences, there exist systems to island its power stations from the grid. In the distribution business, the consumer tariffs are regulated by respective State Electricity Regulatory Commissions. Any adverse changes in the tariff structure could have an impact on the Company. However, the Company endeavours to achieve the highest efficiency in its operations and has been implementing cost reduction measures in order to enhance its competitiveness. There is also a risk of rising competition in the supply of electricity in the licensed area of the Company. The Company has built a large and established distribution network

Management Discussion and Analysis

that is difficult to replicate by potential competitors and shall endeavor to provide reliable power at competitive costs, with the highest standards of customer care to meet the threat of competition. Infrastructure projects are highly capital intensive, run the risks of (i) longer development period than planned due to delay in statutory clearances, delayed supply of equipments or non-availability of land, non-availability of skilled manpower, etc., (ii) financial and infrastructural bottlenecks, (iii) execution delay and performance risk resulting in cost escalations. The past experience of the Company in implementing projects without significant time overruns provides confidence about the timely completion of these projects. On the finance side, any adverse movement in the value of the domestic currency may increase the Company's liability on account of its foreign currency denominated external commercial borrowings in rupee terms. The Company undertakes liability management on an ongoing basis to manage its foreign exchange rate risks.

In the EPC business, most of the on going projects are nearing completion or are already completed. The Company aims to expand the EPC contracts by bidding for projects across power, transport infrastructure, civil infrastructure, defence, etc.

In defence business, the Company through its SPV has received licences for production of defence equipment under the aegis of 'Make in India' initiative of the Government. The Company faces significant concentration risks as the Government of India is the sole customer for most of the defence equipments initially. The Company has recruited experienced professionals for implementing the projects within the framework of the policies and regulations being formulated by the Government for private sector participation in the defence industry.

#### Risk Management Framework

The Company has a defined risk policy and risk management frame work for all units, functional departments and project sites. This helps in identifying, assessing and mitigating the risk that could impact the Company's performance and achievement of its business objectives. The risks are reviewed on an ongoing basis by respective business heads and functional heads across the organization in coordination with Management Audit and Risk Assessment Department (MA&RA). The risk review and assessment is carried out by Independent Risk Management Committee (RMC) of the Board comprising of all independent directors of the Company and senior executives, on a quarterly basis after deliberating on significant risks faced by the Company.

#### Adequacy of Internal Control

The Company has an adequate system of management supervised internal financial control which is aimed at achieving efficiency in operations, optimum utilization of resources, and compliance with all applicable laws and regulations. The internal financial control mechanism comprises a well-defined organization structure, predetermined authority levels with segregation of duty, risk assessment and management framework. The Company's policies and standard operating procedures are well documented and have various ISO and OHSAS certifications. The procurement and operational maintenance activities are planned well in advance to avoid any possible risk of late delivery of equipment and materials, delay in attending to maintenance needs, etc. The Company stores and maintains on a regular basis, all the relevant data and information as a back up to avoid any possible risk of losing important business data. Professional internal audit firms review the systems and processes of the Company in coordination with MA&RA team and this is helpful in providing independent and professional opinion on the internal control systems. The audit committee of the Board reviews the internal audit reports, adequacy of internal controls and risk management framework periodically.

#### Environment, Health and Safety (EHS)

##### Dahanu Thermal Power Station (DTPS)

External and Internal audits were conducted for Environment ISO 14001:2015 Management system.

- All emission parameters were well below the statutory limits with the conditions under Consent to Operate are being complied strictly.
- Online connectivity given to State Pollution Control Board (MPCB) and Central Pollution Control Board (CPCB) for online monitoring of effluent, air and stack emission.  
Online Real time digital display board set up at colony gate to give information to the stakeholders and local residents about the environmental performance of the plant.
- Ash utilization is over 100 percent for last three years which is utilised for making bricks to help local people for their construction work.
- Both Flue Gas Desulphurization units were in service through out the year and SO<sub>x</sub> absorption of more than 90 per cent was achieved, as stipulated.
- Installed online ash monitor device to monitor per cent ash in "as Fired Coal".

Sr. No.	Parameters	M P C B* Limits/Norms	2014-15	2015-16	2016-17
1	Stack				
	Total Particulate Matter (TPM) mg/Nm <sup>3</sup>	150	46.1	46.4	45.2
	Sulphur Dioxide (SO <sub>2</sub> ) TPD	8.04	4.0	3.9	3.8
	NO <sub>x</sub> (ppm at 15 per cent excess oxygen v/v)	150	70	68.8	68.0
2	Ambient Air Outside Plant Premises				
	Particulate Matter < 10 µg/M <sup>3</sup>	100	45.5	48.4	47.0
	Particulate Matter < 2.5 µg/M <sup>3</sup>	60	22.7	21.7	20.8
	Sulphur Dioxide (SO <sub>2</sub> ) µg/M <sup>3</sup>	80	4.7	4.8	5.2
	Oxides of Nitrogen (NO <sub>x</sub> ) µg/M <sup>3</sup>	80	14.8	15.2	14.9

\* Maharashtra Pollution Control Board

### Samalkot Power Station

A dedicated EHS manager is assigned with the responsibility of supervising, monitoring and ensuring all necessary actions with regard to environmental issues, at the power station. The average levels of emission recorded at the power station during the year 2016-17 were much below the limits by the Andhra Pradesh Pollution Control Board. The Station is certified for ISO 14001 and OHSAS18001. The power station also carries out regular mock drills on disaster management. Zero Discharges of Industrial Effluents for the past 10 years and 3 months in a row is one of the major milestones of the power station which is achieved by using "Reduce, Recycle and Reuse" concepts achieved through the recovery of Steam and Water Analysis System as well as higher Cycle of Concentration (COC) operation of Cooling Water Systems.

### Emission Parameters at Samalkot Power Station

Sr. No.	Parameters	UOM	APPCB* Limits	2013-14	2014-15	2015-16	2016-17
1	Particulate Matter in ambient air – PM 10	µg/m <sup>3</sup>	100	62.37	57.81	57.68	58.90
2	Particulate Matter in ambient air – PM 2.5	µg/m <sup>3</sup>	60	20.03	20.12	24.27	22.00
3	Sulphur Dioxide (SO <sub>2</sub> ) in ambient air	µg/m <sup>3</sup>	80	18.31	18.14	20.20	21.20**
4	Nitrogen Oxide (Stack)	PPM	75	44.90	44.75	0.00	0.00***

\* APPCB: Andhra Pradesh Pollution Control Board

\*\* Parameter indicated is of ambient air quality which varies due to external factors. For example since 2011-12, considerable industrialization has taken place in this area. For the last three years, a coal based power plant is operational in the vicinity. The influence of the same is on the SO<sub>2</sub> emission, However this is well within the limits.

\*\*\* Station under preservation.

### Energy Conservation

#### Dahanu Thermal Power Station (DTPS)

DTPS continues to obtain economical heat rate even after 22 years of operation. In 2016-17, DTPS obtained a heat rate of 2,297 kcal/kWh as against 2,450 kcal/kWh norm specified by MERC. This was result of various energy conservation and corrective measures taken at the power station which includes:

- Application of Plastic refractory at boiler Z panel bends to reduce tube leakages and hence increasing availability of the both units.
- Installation of 55Kw Roof Top Solar PV panels on Admin Building Terrace.
- Energy conservation by installing air boosters for Boiler feed Pump Recirculation valve.
- Reduction in air consumption by identification of leakages with leak detector.

#### Samalkot Power Station

In 2016-17, auxiliary power consumption reduced by 0.32 MUs during plant preservation due to best practices adopted and implementation of various energy conservation measures. In order to reduce energy consumption of the station during the preservation period, a study on fixed and variable loads was done. Accordingly, energy saving was classified as per use of equipment as daily, weekly and fortnightly.

- In order to reduce the "No load losses" of a charged transformer, power supply reliability were studied and a redundant distribution transformer each in Power block and balance of plant area is kept "Off". A thorough study of ACW pumps circulation flow was done. Preservation schedule was changed from daily 1 hour run to alternate day 11/2 Hours run.

- Weekly CW line flushing activity time reduced from 1 hr to 45 minute- Fortnightly savings with variable loads was scheduled along with instrument air compressor run i.e. Single CCW pump is operated and temperature of water monitored accordingly. ACW system operation to cool the CCW system is optimized. Similarly, fortnightly auxiliaries for Expansion Project are optimized, such as to reduce gas turbine air intake filter pulsing time from 31/2 hr to 21/2 hr. The pause time between the pulse cleaning cycle is optimized.

### Safety

#### Safety initiatives and programmes at our power stations at Dahanu and Samalkot

The Company's power plants carried out the following initiatives and programmes to promote and strengthen safety measures at Company's work stations, installations and facilities:

- Regular walk through surveys were conducted to ensure compliance of safety in work place.
- Regular mock drills were conducted to ensure emergency and disaster management preparedness.
- Regular safety committee meetings were conducted to improve the safe working conditions.
- Various potential risks are identified and infrastructure built to mitigate risk.
- Celebration of National Safety Week and Fire Service Week.
- Flood emergency awareness training imparted to fire fighters, employees and annual maintenance contract (AMC) workers.
- Training on General Safety and Fire Safety given to schools and college students.



## Management Discussion and Analysis

- Safety Protocol for critical work permits introduced for working in confine space, working on height, working on hot permits in restricted area.
- Review of safety system in case of boiler, generator and generator transformer fire done with all departments participation in the discussion.
- External safety audit conducted on alternate year. This year internal safety audit done to confirm current safety practices.
- Continual improvement followed using safety improvement plan related to plant by process modification.
- Improving awareness among employees through safety seminars and display of posters.
- "Zero Accident Rate" is maintained at Samalkot Power Station since inception of the plant by adopting and continually improving the best safety practices.

### EPC Business

Our management approach towards EHS enables us to continuously improve our performance. Our IMS ensures the adherence and conformance to the Environmental Management System – ISO 14001:2014 and Occupational Health and Safety Management System –OHSAS 18001:2007, integrates the highest international standards into each project phase and verifies consistent performance.

In order to identify and apply best practices across all of our EPC projects, our HSE management system is continually reviewed for continuous improvement. Highly qualified, experienced and dedicated team of HSE professionals direct the implementation of Company's HSE policies, management system and procedures. Their area of expertise includes process safety, construction safety, personal safety and impact assessment, consequence modeling, environmental monitoring, industrial hygiene on specific projects and job sites. We are associated with National Safety Council of India, British Safety Council, Department of Labour, Social Welfare, Environment, etc. and ensure the implementation of their guidance.

### Human Resources

In the dynamically changing business environment and marketplace realities, the skills, experience and engagement of employees are a major competitive advantage. At RInfra, Human Resource (HR) leverages its organizational performance capabilities to continuously identify and cultivate the systems, processes and work environment that will foster critical skill development, improve overall employee experience and enhance employee engagement. As a business partner and strategic enabler, HR focuses on organizational development and employee engagement to propel our businesses with agility, ability and adaptability. Continuous innovation and alignment of HR practices with business requirements and total commitment to the highest standards of corporate governance, business ethics, social responsibility, employee engagement, performance excellence and employee satisfaction have lead to evolving of a work environment that fosters ownership, empowerment, meritocracy and transparency.

### Talent Acquisition

Talent sourcing at RInfra is based on a strong foundation of a highly reliable, standardized and benchmarked recruitment

practice to assess the potential talent as per job description, role, expertise level, skills and experience. The robust recruitment process enables us to evaluate the talent for matching the role with the skills of the prospective candidates. Various channels like industry, campus and employee referrals are explored as source for indentifying talent.

### Talent Development

This year, nearly 1,200 training programmes were conducted for more than 47,000 man days from various businesses of RInfra across all locations including project sites. Out of various training centres, Reliance Energy Management Institute (REMI) and Versova Technical Training Centre (V TTC) are the foremost learning centres of the Company. The learning centres possess state-of-the-art infrastructure for training and employs innovative methodologies including classroom learning through self-learning video modules, on-line course material and assessments and a robust Learning Management System to enhance training effectiveness. Employee engagement and rigorous growth of talent pool for key leadership roles for a sustainable successful organization is ensured through structured training and leadership development processes at the Company.

### Performance Management

The practice of innovation and continual improvement of the processes that evaluates, acknowledges and appreciates the employee's performance is the outcome of a highly transparent and merit based performance management system at RInfra. The Company's reward and recognition policy, compensation structure and employee engagement policy has been benchmarked to industry standards along with special retention plans formulated to retain highly competitive talent. Outstanding contributions by individuals and teams are encouraged and rewarded on the basis of a comprehensive non-monetary reward and recognition policy.

### Employee Relations and Welfare

Based on a robust foundation of policies and processes, the Company ensures health, safety and welfare of its employees. Extensive practical training on safety and a large number of safety measures like job safety assessment and adopted safe construction techniques at project sites has been undertaken by the Company for its employees. Several medical camps, sports and cultural activities for the employees and their families were organized by the Company throughout the year. The Company has established harmonious industrial relations, proactive and inclusive practices with all employee bodies.

### Corporate Social Responsibility

"Organizations depend on the support and goodwill of the communities they are a part of – for sustenance and growth – and must therefore, pay back this generosity in every way that they can." This ethical standpoint, derived from the Founder Chairman Shri Dhirubhai Ambani, lies at the heart of the CSR philosophy at Reliance Group. As a responsible corporate citizen, the company pursues its social obligations with utmost earnestness with a focus on three key thematic areas – Education, Healthcare and Rural Transformation and two cross-cutting themes which cut across all social endeavours – Environment and Swachh Bharat Abhiyan (Sanitation).

RInfra, a constituent of the Reliance Group fosters social responsibility as a collective effort wherein the Company integrates social and environmental concerns with its business and in interactions with the stakeholders. The Company has been pursuing a number of social programmes aimed at improving the quality of the life of communities in and around the business.

### 1. Dahanu Thermal Power Station (DTPS)

#### Education

- **Digitalization of Schools :** Information Technologies have greatly influenced both the learning process and the teacher/student preparation for it at all levels of education. The project focuses on bridging the digital divide in the community and engaging children and developing their technological skills. In 2016-2017, DTPS has installed E-Learning kits in seven Zilla Parishad Schools in Dahanu Taluka Village areas.
- **Sponsorship for Notebook to Rotary Club of Dahanu:** The company provided sponsorship for distribution of Notebooks in concessional rates to needy students. More than 1500 students benefited in this programme.
- **DTPS Best Teachers Award :** Every year Dahanu Thermal Power Station and Rotary Club of Dahanu jointly felicitate five of the best teachers in Dahanu Taluka on the occasion of Teacher's Day Celebrations i.e. on 5<sup>th</sup> Sept. Since 1995, So far 102 teachers have been recognized for their meritorious service to the Nation. These teachers are from Anganwadi, primary, secondary & higher secondary schools.
- **Sponsorship for Dahanu Taluka Science Exhibition :** Since last five years DTPS gives sponsorship to Dahanu Taluka Science Exhibition. This exhibition is organized for Primary and Secondary students. More than 500 students from Dahanu Taluka participated in this event.

#### Healthcare

- **School Medical Health Check Camp :** Medical checkup of students done in various schools to check diseases like cough, cold, fever, scabies, iron deficiency and pain in abdomen and worm infestations. In FY 2016-2017, the camp was conducted at 3 Zila Parishad Schools covering 375 students from tribal areas.
- **Mobile Healthcare Unit:** Mobile medical unit provides curative and preventive treatment to the tribal people. More than eight Gram Panchayats were covered and more than 4000 patients were treated.
- **Maternal Mortality Rate (MMR) & Infant Mortality Rate (IMR) in surrounding Villages of DTPS :** Under the new initiative taken by Prime Minister Shri Narendra Modi "Pradhan Mantri Surakshit Matritva Abhiyan", DTPS decided to carry out this activity in village Agwan, Dehane and Pale on 9<sup>th</sup> of every month. The programme was initiated in January 2017. It focuses on care of pregnant women and prevention of malnourishment among children.

- **Health Awareness cum assessment programme:** Kokila Dhirubhai Ambani Nursing College posted their 2<sup>nd</sup> year Basic B.Sc. nursing students in Dahanu area for their clinical experience in Rural Public Health centers. 31 students participated in the programme. They conducted health awareness programs for girl students in Jeevan Dhara Girls Ashram School and Health assessment programme for women in Village-Gangangaon. Around 125 women attended this program.

#### Rural Transformation

- **Skill Development Training:** (i) DTPS has started skill development program i.e Garment Manufacturing or tailoring training for local community youths (especially women). In FY17, 10 batches covering 290 youths completed their tailoring training who have been employed in Garment Manufacturing Industries.  
(i) DTPS provided training on "Power Plant Familiarization" to 13 batches covering more than 400 participants.  
(ii) DTPS trained 177 students from institutes such as IITs and NITs in technical fields during FY17.
- **Integrated Tribal Development Project:** DTPS in association with NABARD is carrying out an "Integrated Tribal Development" project in selected villages of Dahanu block for economic upliftment of Warli and other tribes.
- **Horticulture**  
(i) Compost fertilizers prepared using leftover dry grass and organic domestic waste. Total compost generated is 145 Metric Tons, which save fertilizer and manure cost.  
(ii) Exotic vegetables cultivation of eight varieties of lettuce, broccoli, celery, parsley, seedless cucumber, cherry tomato, rasemo tomato and different types of herbs.

#### Environment

- **Tree Plantation Drive:** DTPS has planted around 18,500 trees using High density afforestation method in 2016-17.
- **Awareness Session on Protection of Environment:** Importance of tree plantation program introduced to local schools to educate students about protection of environment and its effect on human life.

#### Swachh Bharat Campaign

- **E Waste Management Awareness :** An awareness drive on E -waste was undertaken at schools of Dahanu. Around 260 Students along with teaching Staff have attended this programme.

### 2. Samalkot Power Station

#### Health

- **Blood Donation Camp:** The company organized two blood donation camps in the memory of Founder Shri Dhirubhai H Ambani.

Management Discussion and Analysis

### 3. Mumbai Power Distribution Business

#### Healthcare

- Blood Donation Camp was organized at 14 locations wherein employees actively came forward to voluntarily donate blood

#### Rural Transformation

- Slum Safety Programme** was conceptualized in the year 2013 "Surakshit Raho, Khush Raho" is an initiative by Reliance Energy to create awareness about electrical safety in the theft-prone slums of Mumbai. In 4 years, over 150 Municipal / Government aided schools, covering ~40,000 kids have been sensitized in our distribution area.
- Project Dignity:** The Company had initiated "Project Dignity" to upgrade crematoria in Mumbai wherein 14 crematoria upgradation has been completed with due approval from the Municipal Corporation of Greater Mumbai & intends to continue its endeavor for more crematoria upgradation.
- Old Clothes Collection and Distribution Drive:** ~5,000 pairs of clothes were collected and distributed to the poor, needy and tribal people.
- Project 'Prasarjyoti':** Special training is imparted to poor students belonging to the marginalized society of the suburbs with the help of counseling agencies, which benefited over 350 students.
- Voluntary Donation for Martyr's Day:** Organized a voluntary donation drive for the benefit of army personnel. The money collected was handed over to 'Collector and President', Zilla Sainik Welfare Office, an NGO run by retired Army personnel from Mumbai Suburbs.
- Women's Day from Slums:** Lectures were arranged from eminent personalities, to motivate over 600 women who participated and also updated them on methods to overcome their problems

#### Environment

- Young Energy Saver (YES)** is an initiative to sensitize young kids about energy conservation which was done by reaching out to 270 schools covering over 2.2 lakh students across various schools in RInfra's licensed area in a playful and interactive manner. YES entered the Guinness Book of World Records in the category – "Largest gathering of people dressed as trees" in the year 2012. YES won a Silver award instituted by Indian Digital Media Award (IDMA), for best Social Media Application on Facebook for its app-'My Pet Planet'.
- Sensitization on Preservation of Wildlife:** On the occasion of World Environment Day (WED), 2016 in support of UNEP WED theme "Let's Turn Around: Wild – Deserve to be preserved", Company carried out various stakeholder engagement and sensitization activities in Sanjay Gandhi National Park which was duly acknowledged by UNEP with 'Certificate of Appreciation'.
- Tree Plantation Campaign:** More than 340 employees contributing over 900 man hours have planted around 1,000 saplings of various Indian trees at farm borders and road sides in the Narpad village, Dahanu towards the cause of cleaning and greening.

### Swachh Bharat Abhiyan

- Awareness on Solid waste Management:** Company has organized a campaign with the management of SGNP and with the officials of Indian Coast Guard on their annual event of International Coastal Clean-up (ICC) at Juhu and Dahanu Beach to sensitize people on cleanliness drive involving collection of plastic and solid waste.

### 4. Roads Business

#### Education

- Eye screening camps:** Health checkup camps with a major focus on eye screening was organized at schools in the nearby villages.
- Awareness programme on Road Safety:** This programme was conducted at different schools to create awareness on road safety.

#### Healthcare

- Pulse polio Immunization program:** The pulse polio camps were organized at toll plazas on the highway stretch.
- Blood donation camps:** The blood donation campaigns were organized twice in FY 2016-2017.

#### Environment:

- Green Highways:** RInfra road business as part of the Green Highways (Plantation, Transplantation, Beautification and Maintenance) Policy 2015 has covered 427 km of area under avenue plantation and 342 kms under tree plantation in the median plantation and is maintained regularly.

### Swachh Bharat Abhiyaan

**Cleanliness Drive:** Cleanliness drives were conducted across the key company offices and the neighboring localities with an objective to create a clean and healthy work place. Many employees across the organization participated in this mass movement and customers were sensitized on this movement through social media urging them to join the event.

**Awareness on Cleanliness and hygiene:** The roads business toll plazas and project highway inculcated the concept of cleanliness and hygiene by putting Placards and Signage's in Public areas for not spitting, littering, placements of dustbins, maintenance of toilets and way side amenities / user facility to encourage commuters to use them and not to spoil the Highway or Toll Plaza area.

#### Support to Healthcare

##### Day care oncology centres:

Cancer is one of the biggest health concern in India and cancer treatment and care is prohibitively expensive. 92% patients from rural households do not have proper infrastructure and specialist support.

Appreciating the huge imbalance in the facilities for treating cancer, we at Reliance Infrastructure with support from Mandke Foundation are establishing Cancer care center in Maharashtra. We have initiated the project at Akola and Jalna District, of Maharashtra to provide medical, radiation and surgical oncology to rural populace in a phase wise manner.

These centers would focus on bridging the present gaps in cancer treatment facilities in rural India apart from bringing in state of the art technology and other resources on ground. The focus would be to provide day care services including chemotherapies, radiation, and diagnostics including PET CT besides consultations and telemedicine.

### Awards and Recognitions

#### Dahanu Thermal Power Station (DTPS)

- Independent Power Producers Association of India Awards (IPPAI) 2016, for Best Thermal Power Generator;
- Maharashtra Energy Development Agency (MEDA) award for Excellence in Energy Management;
- Confederation of Indian Industry (CII) National Energy Management Award 2016 for best Energy Efficient unit.

#### Mumbai Power Distribution Business

- International Safety Award 2017 with Merit Category from the British Safety Council, UK.;
- Independent Power Producers Association of India Awards (IPPAI) 2016, for outstanding Innovation in Energy Conservation;
- Best Warehousing Practices Award 2016 in service sector;
- Greentech Safety Award 2016 in the Gold Category from Green Tech Foundation, New Delhi;
- 'National Excellence Award', instituted by World CSR Congress, in the category "Initiative for Community Awareness" for our Slum Safety Programme: Surakshit Raho Khush Raho";
- Bagged the "Social Innovation Award" and "5<sup>th</sup> Asia Best CSR Practices Award 2015" instituted by World CSR Congress, for Young Energy Savers initiative for Community Awareness.

#### Mumbai Power Transmission

- "Par Excellence" performance Award in 55 National Conclave;
- "Platinum" award for Healthy Workplace by Arogya World India trust;
- "Best Learning and Development Strategy" by India Human Capital Awards, 2016.

#### EPC Business

- "Outstanding Contribution in Power Generation" Award for Sasan UMPP during 6<sup>th</sup> EPC World Award;
- "Rashtra Vibhushan Award 2016-17" - Diamond Award for outstanding project on Infrastructure for Sasan UMPP & Best Initiative in Renewable Energy for Solar PV;
- "Best Power Infrastructure Project" Award 2016 for Sasan UMPP from Dun & Bradstreet Infra.

#### Mumbai Metro One Private Limited (MMOPL)

- Best Metro of the year -2016 by Indian Merchants' Chamber;

- Award for best service provider and Fun at work (organization category) - Times Ascent;
- Greentech Foundation Award for outstanding achievement in Employee Engagement (Gold Award).

#### BSES Rajdhani Power Limited (BRPL) and BSES Yamuna Power Limited (BYPL)

- Achievement Award in Supervisor/ Artisan Category Award to BRPL from Construction Industry Development Council;
- Overall Distribution Operations Award to BRPL from Indian Chamber of Commerce;
- AT&C Loss Reduction by improving the DT Cleaning mechanism using PDCA approach (at field level) and Net Metering of Solar Power Generation Projects Award to BRPL from BSE Limited;
- Safety Award to BRPL and BYPL from British Safety Council, (International Award), London;
- National Gaurav Award for Operational Excellence Award to BYPL from Indian Brave Hearts Foundation;
- Innovative Practice Award to BYPL viz. Seamless SCADA adaption using power management tool and Lab Tracking Module from Independent Power Producer Association of India;
- DL Shah National Quality Award for Intelligent Outage Management System Award to BYPL from Quality Council of India.

### Outlook

India has emerged as fastest growing economy in the world as per Central Statistics Organisations and International Monetary Fund. The country's economic growth is currently facing challenges such as subdued manufacturing, lower exports of services and lower capital expenditure. However, the outlook for 2017-18 has been brightened considerably on account of several factors like cheap borrowing costs, fading effect of demonetisation which could increase private consumption, implementation of Goods and Services Tax (GST) to improve tax compliance and governance, favourable economic indicators such as moderate levels of inflation, reduced current account deficit, fiscal consolidation, etc. which will help in achieving and sustaining higher economic growth.

### Infrastructure Sector

Infrastructure is a vital sector that propels overall development of the Indian economy which requires substantial influx of investment capital to initiate policies that ensure time bound creation of world class infrastructure and delivery of services. The Government of India has targeted ₹ 25 trillion investment in infrastructure over a period of 3 years and additional investment of ₹ 5 trillion for road, railways and port connectivity projects as development of infrastructure has consistently been a key focus for the Government in the economic development initiatives. To achieve this objective, Government has allocated ₹ 4.0 trillion including ₹ 2.4 trillion for transportation sector to ensure adequate development of infrastructure which is essential for sustained growth of Indian economy in FY18.

## Management Discussion and Analysis

### Power Sector

The power sector will provide one of the biggest avenues to participate in the development of India infrastructure. The evolution of the digital age brings a shift toward Smart Energy that will bring large-scale infrastructure opportunities across multiple industry segments i.e. transmission, distribution and consumption. At the same time, a changing power generation mix, largely as a result of the push toward more renewable energy resources, is putting pressure on power and utilities companies to upgrade and replace their aging infrastructure sooner rather than later. The installed generating capacity in the country in 1947 was 1.4 GW which has since grown manifold to 320 GW at the end of March 2017. India's per capita consumption of electricity has increased from 672 KWh in 2007 to 1,075 KWh in 2016, significantly lower than the world average of 3,030 in 2014. To meet the soaring demand for power, Government has introduced some strategic and progressive measures like Ultra Megawatt Power Project (UMPP), Integrated Power Development Scheme (IPDS), Ushval Discom Assurance Yojana (UDAY) and Din Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY), etc. to unleash the potential of the power sector. The Government allocated ₹ 10,635 crore for IPDS and DDUGJY in 2017-18. The Government is focused on the renewable energy as complementary source of power and has allocated ₹ 5,500 crore for FY18. The new paradigm of surplus power sets the stage for continuing these reforms so that India can become 'one market' in power. All the initiatives above aims at focus on system improvement, loss reduction, theft control, consumer service orientation, quality power supply, commercialization, decentralized distributed generation and supply for rural area.

### Defence Sector

Defence is still a nascent sector with respect to private sector participation. According to estimates, the defence market in the country would be worth US\$ 250 billion over the next ten years. India currently imports 70 per cent of its defence requirements.

In order to tap the enormous opportunities on offer, our company created Reliance Defence Limited; a wholly owned subsidiary of RInfra. This entity was created with the aim of targeting the local Defence and Aerospace Industry, both of which are showing high growth rates and dependencies. The purpose is to align with government initiatives such as "Make in India" and "Skill India". To this end, Reliance Defence has made considerable progress. We now have 13 Special Purpose Vehicles (SPV's) that together hold 35 industrial licenses issued by the Department of Industrial Policy & Promotion (DIPP)/Ministry of Commerce.

In a further bid to promote "Make in India" initiative, the Union Cabinet approved the proposal for introducing measures to encourage shipbuilding and ship repair industry in India. This includes a policy for grant of financial assistance to shipyards that will be in force for ten years. The implementation of this policy would have a budgetary support of ₹ 4,000 crore over ten years. The proposals also include grant of a Right of First Refusal for Indian shipyards for Government purchases, tax incentives and grant of infrastructure status for shipbuilding and ship repair industry.

Currently, the Indian Navy has 137 ships and submarines and Coast guard has approximately 120 ships. Both the Indian Navy and the Coast guard have a projected force level plan of 200 ships each by year 2027. With a large number of ships in the current inventory needing replacement. The Indian Navy has the requirement of vessels worth more than ₹ 8,00,000 crore over the next 15 years. Defence Public Sector Unit (DPSU) shipyards need complementary support from the private sector shipyard to fulfill this requirement of the Indian Navy. Apart from requirements of the defence forces in India, the defence market in South-East Asia is likely to provide growth opportunities in the coming years.

In order to address this opportunity, Reliance Defence attained its first milestone – the acquisition of significant interest in the erstwhile Pipavav Defence and Offshore Corporation (PDOO); now Reliance Defence and Engineering Limited (RDEL). This strategic acquisition provided us access to an exclusive club of Indian companies with defence manufacturing capability.

The shipyard at Pipavav, Gujarat, is the largest in the country and boasts various state-of-the art machinery, equipment and manufacturing capabilities not possessed by any other yard in the country. This includes modular ship-building capability, capacity for manufacturing large pre-fabricated blocks and the largest dry-docking facility in India. RDEL offerings include (i) design and construction/repair and refit of warships and submarines; (ii) design, construction, repair and conversion of commercial ship; (iii) fabrication, construction, repair, conversion of hydro-carbon exploration and production assets ("E&P Assets"). Reliance Naval Systems Limited, a strategic business unit of Reliance Defence Limited, has been issued licenses for manufacturing of underwater systems, electro-optical systems, underwater weapons and C4I systems.

RDEL has shipbuilding and ship repair capabilities for a range of military and commercial vessels of different sizes and types, including vessels as large as 4,00,000 tons. As of March 31, 2017, RDEL had firm contracts to build one Panamax bulk carriers, one Coast Guard training ship, 14 Fast Patrol Vessels ("FPVs"), Five Naval Offshore Patrol Vessels (NOPVs), five Offshore Support Vehicles (OSVs) and to execute repairs of vessels, rigs and other offshore structures. The yard has successfully built and delivered 6 Panamax vessels and 7 offshore support vehicles to domestic and international customers.

RDEL received an industrial license from the Government of India for the manufacture of strategic defence vessels in October 2010. It is one of the first private sector companies in India, post-independence; to have received orders to build frontline warships for the Indian Navy. It is a qualified agency to the Indian Navy for combat management system (CMS) and to the Indian Coast Guard for integrated platform management systems (IPMS) and integrated bridge systems (IBS). It also has licenses for production of missiles, torpedoes, rockets and autonomous underwater vehicles. A long term strategic partnership is in place with SAAB AB (Sweden) to have access to state-of-the-art technology for specific defence vessels. RDEL entered into Memorandum of Undertaking with ALLRIG INC, USA that will enable RDEL's shipyard at Pipavav to be developed as a one-stop shop solution for all the service needs of upstream companies.



In the Aviation field, Reliance Defence has commenced multiple initiatives to meet the needs of both military and civil aviation. The proposed Dhirubhai Ambani Aerospace Park is one such initiative. Located at the SEZ at MIHAN (Multi Modal International Hub at Nagpur, Nagpur), the long term vision is to create a comprehensive Aerospace manufacturing complex, with capability to produce aircraft, helicopters and UAV's. The aim is to address the Civil and Military markets.

To kick-off this project, our subsidiary, Reliance Aerostructures has formed a Joint Venture Company with Dassault Aviation. The Joint Venture shall facilitate the transfer of high end technology, while discharging offset obligations of INR 30,000 crore. This is part of the agreement for purchase of 36 Rafale fighter aircraft for the Indian Air-Force. The scope includes Performance Based Logistics for Rafale aircraft of the Indian Air-Force and other manufacturing activity.

Reliance Defence Limited has a strategic partnership Agreement with ANTONOV of Ukraine for assembly, manufacture and MRO facilities for ANTONOV platforms in India, for both the commercial and military markets. Reliance Defence, together with ANTONOV could jointly address various requirements including 50-80 seat passenger aircraft program in its basic configuration. Specialised variants such as transport, maritime patrol and other military roles are also envisaged. Reliance Defence Limited has a Memorandum of Understanding with Abu Dhabi based Mubadala Aerospace owned Strata for expertise in the manufacture of Carbon Fibre Composite aerostructures, Prepegs, Design capabilities and 3D printing of airframe panels. Strata has an impressive product portfolio comprising multiple sub-assemblies for customers such as Airbus and ATR.

Reliance Defence Limited and Rafael Advanced Defence Systems Limited plan to collaborate in the highly specialized areas of Large Aerostats, Air to Air Missiles and Air Defence Systems. Reliance Rafael Joint Venture will have 51 per cent holding by Reliance Defence and 49 per cent by Rafael. Rafael has in the past provided large aerostat systems to the Indian Air Force for meeting its surveillance, reconnaissance, communication and intelligence requirements. Rafael is market leader in the Air to Air Missile segment and has world renowned products such as Python and Derby. Similarly, for Air Defence Systems, Rafael portfolio includes SPYDER short range and medium range and Barak missiles family of Surface to Air Missiles in the short and medium range.

Reliance Defence has a strategic partnership with Safran. Safran is an OEM in design, development and manufacturing of Avionics Systems for civil and military aircraft. Reliance and Safran plan to co-develop through Transfer of Technology, development of high technology sensors for Combat Aircraft and Naval Vessels.

Reliance Defence has partnership agreements that equip us to compete in various segments in Defence Land Systems. Competencies include design, development and production of heavy weapons, electronic warfare systems, ammunition, explosives, tanks, infantry combat vehicles, directed energy weapon systems, small arms laser systems for target destruction and C4I Systems for various land platforms. Partnerships with leading OEMs in the explosives manufacturing segment put Reliance Defence in the lead for the manufacture of missiles, explosives heavy weapons, tanks and ICVs.

Reliance Defence Limited (RDL) has a strategic partnership agreement with South Korean defence major LIG Nex1 for smart heavy weapons in category of Anti-ship Missiles, Anti Tank Guided Missiles (ATGM), and Guided Rockets.

## Business Responsibility Report

### Section A: General Information about the Company

Corporate Identity Number	L75100MH1929PLC001530
Name of the Company	Reliance Infrastructure Limited
Registered Address	'H' Block, 1 <sup>st</sup> Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400710
Website	www.rinfra.com
E-mail ID	rinfra.investor@relianceada.com
Financial Year reported	2016-17
Sector(s) that the Company is engaged in (industrial activity code-wise)	Generation, transmission and distribution of power and Engineering, procurement and construction (EPC) segment of the power and infrastructure sectors (Industrial Group 351 and 422 as per National Industrial Classification of the Ministry of Statistics and Programme Implementation)
List three key products / services that the Company manufactures / provides (as in balance sheet)	(i) Generation and transmission of power (ii) Distribution of power (iii) EPC Contracts
Total number of locations where business activity is undertaken by the Company	The Company owns and operates various projects and facilities at various locations in India, as stated hereunder in Sr. No. (i) to (iv)
Number of international locations	Nil
Number of national locations	(i) Distribution of power in suburbs and surrounding areas of Mumbai (ii) Generation of power at power stations located at Dahanu (Maharashtra), Samalkot (Andhra Pradesh), Zuarinagar (Goa), Aimangala (Karnataka) (iii) Transmission of power from Dahanu to Mumbai (iv) Execution of EPC contracts at various locations in India.
Markets served by the Company	Electricity supply to Mumbai suburbs Supply to the state grid in Andhra Pradesh.

### Section B: Financial Details of the Company

Paid up Capital	₹ 263 crore
Total Turnover	₹ 11,760 crore
Total Profit After Tax	₹ 1,289 crore
Total spending on Corporate Social Responsibility (CSR) as a percentage of profit after tax (per cent)	2.54 per cent
List of activities in which expenditure as above has been incurred	Details are given under Principle 8

### Section C: Other Company's Details

Does the Company have any Subsidiary Company / Companies	Yes. There are 53 subsidiaries and step down subsidiaries as on March 31, 2017
Do the Subsidiary Company / Companies participate in the Business Responsibility (BR) Initiatives of the parent company?	Yes
Does any other entity / entities (suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company?	The Company encourages other entities such as suppliers and contractors to participate in its BR initiatives.

### Section D: Business Responsibility Information

Details of the Director / Directors responsible for implementation of the business responsibility policy / policies	BR functions are monitored by the Corporate Social Responsibility Committee of the Board of Directors. The details of the Committee are provided in the Corporate Governance section of this report.
Details of the business responsibility Head	The Key Managerial Personnel of the Company who are responsible in general for BR activities of the Company are as under : Shri Lalit Jalan, Chief Executive Officer Shri Sridhar Narasimhan, Chief Financial Officer Shri Ramesh Shenoy, Company Secretary



# Reliance Infrastructure Limited

## Business Responsibility Report

### Principle-wise Business Responsibility Policies, as per National Voluntary Guidelines on Social Environmental and Economic Responsibilities of Business (Reply in Y / N)

Questions	P	P	P	P	P	P	P	P	P
	1	2	3	4	5	6	7	8	9
Do you have a policy/policies for:	Y	Y	Y	Y	Y	Y	Y	Y	Y
Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Does the policy conform to any national /international standards? If yes, Specify.	Y	Y	Y	Y	Y	Y	Y	Y	Y
The policies conform to international standards like SA2000 and SA 8000:2008 (Social Accountability System), OHSAS 18001 (Standard for Occupational Health And Safety Management System), ISO 14001 (Environment Management) BS EN 16001:2009 (Standard for Energy Management System) and Quality Management System (ISO 9001:2008).									
Has the policy being approved by the Board?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Indicate the link for the policy to be viewed online	<a href="http://www.rinfra.com/ir_governance_policies_practices.html">http://www.rinfra.com/ir_governance_policies_practices.html</a>								
Has the policy been formally communicated to all relevant internal and external stakeholders?	The Policies have been communicated to the stakeholders by uploading on website.								
Does the company have in-house structure to implement the policy/ policies?	Yes								
Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	The grievances are referred to and attended to by the Divisional Heads of respective businesses for redressal and the HR Group monitors redressal of such grievances.								
Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The Policy relating to Environment, Health and Safety are evaluated by internal as well as external ISO audit agencies. The Vigil Mechanism is reviewed by the Audit Committee of the Board annually. The Board reviews all the policies annually.								
If answer against any principle is 'No', please explain why	Not applicable								
Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company.	The CSR Committee periodically assesses the BR performance of the Company for ensuring the effectiveness and relevance of BR initiatives.								
Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	<a href="http://rinfra.com/ir_businessresponsibilityreport.html">http://rinfra.com/ir_businessresponsibilityreport.html</a>								

## Section E: Principle-wise Performance

### Principle 1

#### Business should conduct and govern themselves with Ethics, Transparency and Accountability

##### 1. Does the policy relating to ethics, bribery and corruption cover only the Company? Does it extend to the Group / Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Company, as a part of the Reliance Group, has adopted the Group Code of Ethics and Business Policies governing conduct of business of the Company in an ethical manner. The Company encourages its business partners to follow the code.

The Company also has a grievance redressal mechanism and a whistle blower policy which enable its employees to raise concerns to the Management.

The Board of Directors of the Company has also adopted a Code of Conduct (Code) which applies to the Directors, Key Managerial Persons and the senior management of the Company. The Company obtains an annual confirmation affirming compliance with the Code from the Directors Key Managerial Persons and the senior management every year.

##### 2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

The Company received 34 complaints from the shareholders during 2016-17 and there were no complaints pending as on March 31, 2017. The details of the same are provided in the section on Investor Relations

## Business Responsibility Report

### Principle 2

**Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**

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

The Company's Power Distribution Division has introduced the following in the distribution network with a view to addressing environmental concern:

1. Environmental friendly synthetic oil for transformer instead of Mineral oils
2. Shearing bolt type cable jointing kits in place of conventional joints
3. Progressively to abolish the use of thermocol packaging and asbestos

At the Company's power generation plant, Dahanu Thermal Power Station (DTPS), various innovative measures have been taken to mitigate social and environmental risks and concerns involved during the electricity generation process. Some of them are mentioned hereunder:

1. State-of-the-art electrostatic precipitator (ESP) having an efficiency of 99.9 per cent for proper removal of fly ash
2. Initiatives taken to utilise 100 per cent ash generated; like construction of additional 300 metric ton Silo for dry ash utilization and installation of coarse ash grinding unit and dry ash collection system, etc.
3. Installation of Flue Gas Desulphurization (FGD) unit for removal of SO<sub>x</sub> (Sulphur Oxide content) is having an efficiency of 90 per cent.
4. Monitoring and control of parameters within and beyond fence by Ambient Air Quality Monitoring stations.
5. 100 per cent recycling of sewage water through Sewage Treatment Plant. The recycled water are used in non-fruit bearing plantation and the sludge are utilised as a fertilizer

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

Under its Renewable Purchase Obligation (RPO), as per the Regulations of the Maharashtra Electricity Regulatory Commission, the Company procures a part of its power through renewable energy sources, including solar and non solar categories and the percentage of obligation shall gradually increase from 11 per cent in 2015-16 to 15 per cent in 2019-20. The Company's Non-Solar RPO is being met through wind generation and small hydro power and it is exploring other possible options to procure Renewable Energy for fulfilling its RPO obligation. For meeting Solar RPO, RInfra has contracted 40 MW solar power from a plant located at Rajasthan.

During 2016-17, the Company purchased 294.84 million units of power from non-conventional sources, amounting to ₹ 232.28 crore. This represents 5.25 per cent of electricity purchased in 2016-17. In addition to the above, the Company also purchased Renewable Energy Certificates equivalent to 440.33 million units aggregating to ₹ 66.05 crore.

At the Company's generation plant at Dahanu, coal is procured through the Fuel Supply Agreement (FSA) with South Eastern Coal Fields Limited (SECL), Bilaspur which is valid till 31<sup>st</sup> March 2029, whereby the annual contracted quantity of coal is ensured. For supply of water, the Company has entered into an agreement with Irrigation Department, Government of Maharashtra which is valid upto October 31, 2020 and is renewed after every six years.

**3. Has the company taken any steps to procure goods and services from local and 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 Company makes continuous efforts to develop and maintain local small vendors in order to have timely delivery with optimum cost and best quality. Several steps are taken to procure goods and services from local and small producers including weaker sections of communities surrounding their place of work.

The Power Distribution division strives to provide technical support, process audit and quality assurance to the vendors and vendors are encouraged to develop the type tested products in line with latest market technologies and standardised for cross utility applications.

During the purchase process, DTPS gives preference to local vendors and suppliers. The company not only procures materials from these entrepreneurs but also supports to connect them with other companies to scale up their business. Vendors and suppliers are also included in the sharing best practices during vendor meets carried out periodically at DTPS. Most of the service contracts awarded to local community people create employment for them to earn for their livelihood.

DTPS has been certified with Social Accountability 8000 standard and complies with all national and international human rights like forced labour, child labour, gender equality, etc. and all the concerned conventions of the International Labour organisation. Further, all suppliers are encouraged to comply with the SA8000 standard and regular supplier premises (supply chain) are audited by the commercial and user departments for compliance with SA 8000 standard. DTPS regularly carries out audits of vendor's manufacturing and operating process and ensures continual improvement and sustainability.

The Engineering Procurement and Contract (EPC) Division of the Company, as part of sourcing strategy, gives priority to sourcing of local raw materials like sand, etc., for construction of roads and power projects.

### 4. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste

At RInfra Mumbai Power Distribution Division, a special initiative is being taken to recycle all wastes. The resource savings achieved during 2016-17 is as under:

Paper Waste Recycling	: 22.9 metric ton
e-Waste recycled through authorized recyclers	: 223.4 metric ton
Hazardous waste disposed through an authorised Common Hazardous Waste Treatment and Safe Disposal Firm	: 101.3 metric ton
Fuel savings	: 31,221, litre (10 per cent increase in savings since 2015-16)

On account of Comprehensive Waste Management System, the Company has recycled more than 90 per cent of its total waste generated in 2016-17.

Continual efforts to conserve resources to minimize and recycle wastes and reuse waste through both conventional and non-conventional waste management practices are an integral part of business operations of our power stations.

- The waste/used oil which comes under the Hazardous waste category and e-waste is disposed of through authorized vendor recyclers. Other wastes such as steel, wood are reused internally. System for super cleaning of lube oils has increased the recycling and life of lubricants in plant machinery. About 80 per cent of lube oil is recycled and re-used.
- Current total ash utilisation of DTPS is more than 100 per cent, as a portion of the ash generated in the past years was also utilised. The ash is used for cement mix, bricks, tiles, blocks manufacturing and initiatives are in place to utilize the bottom ash as well.
- The waste effluent water from de-mineralization plant is neutralized in effluent holding tanks and reused for ash disposal. Domestic effluent generated from power plant and township area is treated through diffused aeration based activated sludge process treatment system. The recycled water is used in non-fruit bearing plantation and the sludge is utilised as a fertilizer
- The bio wastes from colony and plant canteen are decomposed and used as organic fertilizers in horticulture.

Through Environment Management System ISO 14001, the EPC Division takes steps to increase our waste efficiency. Fly Ash bricks are used to reduce carbon foot print. Also, use of fly ash in ready mix concrete (batching plant) helps in protection of environment by partly replacing cement, production of which entails energy consumption and CO2 emissions.

### Principle 3

#### Businesses should promote the well being of all employees

Total number of employees	6,037
Total number of employees hired on temporary / contractual /casual basis	3,625
The number of permanent women employees	482
The number of permanent employees with disabilities	20
Do you have an employee association that is recognized by management	Yes
What percentage of your permanent employees is members of this recognized employee association?	60 per cent
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 year	The Company does not employ child labour, forced labour and involuntary labour. The Company did not receive any complaint of sexual harassment and discriminatory employment
The Company arranged safety and skill upgradation training in the last year to:	
Permanent Employees	89.50 per cent
Permanent Women Employees	85.71 per cent
Casual/Temporary/Contractual Employees	100 per cent
Employees with Disabilities	Nil

### Principle 4

#### Businesses should respect the interests of, and be responsive towards all stake holders, especially those who are disadvantaged, vulnerable and marginalized

- Has the company mapped its internal and external stakeholders? Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.  
  
The Company has mapped the stakeholders i.e. customers, shareholders, employees, suppliers, banks and financial institutions, government and regulatory bodies and the local community and out of these, the Company has identified the disadvantaged, vulnerable and marginalized stakeholders.
- 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.

The Company's power distribution division undertakes a number of programmes for the benefit of disadvantaged, vulnerable and marginalized stakeholders. Under the "Project Prasar Jyoti", special training-cum-counselling workshops are conducted by qualified counselling psychologists for underprivileged students from municipal schools, for improving memory and dealing with

Business Responsibility Report

examination fear and stress. Nearly 450 students benefit from these sessions every year. Under the "Surakshit Raho Khush Raho" initiative, awareness was conducted on safety and related issues, for over 10,000 students from 50 municipal schools in our Distribution area. In addition to this, quality old clothes collection drive was conducted and distributed, in the underprivileged Adivasi talukas of Maharashtra, such as Wada, Mokhada and Javhar. Over 2,000 persons benefit from this initiative.

Dahanu Taluka, where DTPS is located, is predominately populated by tribal people (67.69 per cent) and there are limited employment opportunities. This Taluka has poor economic status which is coupled with poor rural literacy rate (Male-53 per cent and Female-28 per cent). DTPS has started programme for imparting tailoring training for local community youths (especially women). In 2016-17, ten batches covering 290 youths from local community completed their tailoring training, out of which 279 participants have been employed in garment manufacturing industries in Dahanu, Boisar and Umbergaon.

Every year, DTPS distributes uniforms to Anganwadi children in the rural areas. The stitching jobs are awarded to local youths belonging to tribal community from the village area, thus providing employment opportunities for the tribal people. In keeping with the corporate belief that education and training are primary enablers for the society, DTPS has actively contributed towards imparting quality education available in the vicinity of the Company's operations. Dahanu Power Station celebrates Teacher's day on 5<sup>th</sup> September every year by honouring 4 to 5 teachers in Dahanu Taluka by presenting the DTPS Best Teacher Awards. This event is organized jointly with a local NGO for the past 22 years. Till date, 109 teachers have been felicitated.

DTPS has taken keen interest to render free medical/health services for surrounding village community. A mobile medical unit was set up, which has a fixed schedule to visit each and every village in the neighbourhood of the power station. Besides, the Company's doctor is conducting health check up for surrounding villages. The focus was not only curing of diseases, but also on prevention of diseases. In 2016-17, more than 4,000 patients were checked and treated by mobile medical unit.

Principle 5

Businesses should respect and promote human rights

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?

The Policy of the Company on human rights covers not only the Company, but also extends to the group/ joint ventures /suppliers / contractors / NGOs / others. The Company is committed to complying with all human rights, practices across all group companies, joint ventures and other stakeholders associated with the Company.

DTPS has been certified with Social Accountability 8000 standard and complies with all national and international human rights like forced labour, child labour, gender

equality, etc. as applicable under conventions of the International Labour organisation. Further, all suppliers are encouraged to comply with the SA8000 standard and regular supplier premises (supply chain) are audited by the commercial and user departments for compliance with the human rights as per the standard.

The Power Distribution Division voluntarily follows human rights principles. The Division does not employ any forced labour and child labour and is committed to promoting the gender equality among the employees. The business of the Division is mainly labour oriented and it had the employee strength of 4,705, of which the officers account for 1,321 i.e. 28 per cent and staff and labour 3,384 i.e. 72 per cent. In keeping with the consistent policy to promote gender equality, the Division has 338 female employees representing 7 per cent of its employee strength.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

The Company has not received any stakeholder complaint pertaining to human rights during the financial year 2016-17.

Principle 6

Business should respect, protect and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the company or extends to the group/joint ventures/suppliers/contractors/NGOs/others.

Yes, the policy of the Company on environment covers not only the Company, but also extends to the group/ joint ventures/suppliers/contractors/NGOs/others. The Company is committed to achieving excellence in environmental performance, preservation and promotion of clean environment and also actively encourages business partners like suppliers, contractors, etc. to preserve and promote environment.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc

Yes. At RInfra, preservation and promotion of environment is of fundamental concern in all its business activities. The Company is committed to delivering reliable and quality products and services to its consumers at competitive costs and is conscious of its responsibility towards creating, conserving and ascertaining safe and clean environment for sustainable development. The sustainable environmental initiatives of the Company are being driven under the organisation-wide sustainability drive called "Let's Turn Around" with an objective of achieving "Carbon Neutrality" in its business operations, as indicated earlier.

Towards this end, the Company has formulated Environment Policy aimed at adopting appropriate technologies and practices to minimize environmental impact of its activities, continually improving its environmental performance, conserving the natural resources, promoting afforestation and skill upgradation of employees for effective implementation of the Policy.

Under 'Let's Turn Around initiative', following key initiatives are included:

- a. **Fuel Consumption Initiative:** The transport department has implemented close control and monitoring of fuel through smart card implementation for two-wheelers. This resulted in fuel savings of 31,221 litres (10 per cent) in 2016-17 compared to the previous year.
- b. **Food waste Reduction and Reuse:** The Company has set-up a Food Waste Monitoring, Review and Corrective measure mechanism which includes creating awareness through electronic media (Wallpaper, Pop ups), print media (posters) and a display board mechanism with social messaging/appeal and display of daily food waste quantum. The Company has also made the necessary infrastructural changes at the food serving counters, conducted Contractors Training and Awareness to ensure optimal food serving practices.
- c. **World Environment Day and Energy Conservation Day / Week Celebrations,** Earth Hour Celebrations, seminars and workshops on Energy Efficiency and Energy Conservation (EE&EC), various other programmes and schemes like "Save and Save" (Discount) offer on EE appliances in tie-up with the vendors, competitions for employees and their wards, consumer meets, audio-visual shows, symbolic walk, etc. are organized seeking maximum participation of the Company's Employees as well as general public.

The Dahanu Power Station is certified for Environment Management System ISO 14001:2015, and Energy management system ISO 50001:2011 besides Social Accountability SA 8000:2008, Quality Management system ISO 9001:2015, Information Security management System ISO 27001:2013 and Occupational Health and Safety Assessment studies OHSAS 18001:2007 and National Accreditation Board of Laboratories (NABL) accreditation for DTPS coal testing laboratory, ISO/IEC 17025:2005. DTPS uses beneficiated Indian coal and blends with high calorific value imported coal which ensures low consumption of coal to generate per unit of power. This helps to reduce CO2 emissions.

As a strategy to address the critical issue of global warming, the Power Station regularly monitors CO2 emissions at micro level for Green House Gas (GHG) inventorization. Moreover, the Power Station maintains environmental parameters within the norms set by the Pollution Control Board by means of continuous monitoring and operational control as also monitors and controls parameters within and beyond fence by Ambient Air Quality Monitoring stations (AAQM).

At the power plant, the Company has taken initiatives for carbon sequestration to mitigate the climate change. The Power Station has voluntarily demonstrated its commitment by massive plantation of mangroves on either bank of creeks. More than two crore mangroves have been planted till date. The land on which the Power Station is established was completely barren due to high

salinity. Now there is a sprawling green cover as a result of plantation of forest species, mangroves and fruit bearing species.

The Mumbai Transmission Business is certified for Environment Management System ISO 14001:2004 and the Division has in place procedures and processes to conduct the business in environmentally responsible manner. Special management programme are designed to address any kind of environmental impact. Rain water harvesting is completed at all location of business. Mass tree plantation and use of energy efficient equipments are few initiatives implemented by the business and many other are under implementation stages.

### 3. Does the Company identify and assess potential environmental risks?

Yes, the Company identifies, maintains and assesses potential environmental risks through aspect register which is one of the main requirements of the company's Environment Policy commensurate to ISO 14001:2015. Every year, aspect register is reviewed and aspects are added or deleted based on the process change. Hazards are analysed, evaluated and adequate control measures are implemented to reduce impact on environment and human. The processes are audited periodically through external competent authorities like BVQI headquartered in Paris, France.

### 4. Does the Company have any project related to Clean Development Mechanism?

The Company regularly initiates various Clean Development Mechanism (CDM) projects which are part of the continual improvement process. DTPS is continuously identifying various projects for reduction of CO2 emission. Various projects have been initiated to improve efficiency and auxiliary power consumption. In DTPS, operation and maintenance (O&M) practices are tuned to improve equipment heat rate and to work on energy based maintenance philosophy.

### 5. Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc.

The Company has undertaken several projects on clean technology, energy efficiency, energy conservation, renewable energy, etc. not only within the Company but also at its consumer premises. The Dahanu Power Station is the first utility in the world that is certified for ISO 50001:2011 Standard for Quality Management. The Power Station has undertaken several projects on clean technology, energy efficiency, renewable energy, etc.

The details of these measures are provided elsewhere in this annual report in the annexure to the Directors report and in the Management Discussion and Analysis.

### 6. Are the Emissions/Waste generated by the Company within the permissible limits given by Central Pollution Control Board (CPCB) / State Pollution Control Board (SPCB) for the financial year being reported?

Mumbai Power Distribution Division has taken authorization for collection, reception, storage, transport and disposal of



Business Responsibility Report

hazardous waste for all major locations. All the Hazardous / e-Waste generated due to day to day activities is disposed of only through State Pollution Control Board approved vendors in eco-friendly way. The Company has disposed of more than 101.3 metric tonnes of hazardous waste and 223.4 metric tonnes of E-waste during 2016-17 which only reconfirms strong commitment for environment protection. Waste generated at all the locations is within limit specified by Maharashtra Pollution Control Board (MPCB).

Dahanu Power Station being a ISO 14001 certified organization is responsible for complying with the environmental emission norms set by the state pollution control board (MPCB) and the Central Pollution Control Board (CPCB).

All emission parameters were well below the statutory limits. Conditions under Consent To Operate (CTO) are being complied strictly. Both Flue Gas Desulphurization (FGD) units were in service throughout the year and SOx absorption of more than 90 per cent was achieved, as stipulated. All the environment parameters are displayed at various locations.

The Samalkot power station of the Company uses natural gas, an environment friendly fuel, as the primary fuel and naphtha/High speed diesel (HSD) as the secondary fuel. A dedicated environment, health and safety manager is assigned with the responsibility of supervising, monitoring and ensuring all necessary actions with regard to environmental issues, at the power station. The average levels of emission recorded at the power station during the year 2016-17 were much below the limits set by the Andhra Pradesh Pollution Control Board. The Station is certified for ISO 14001 and OHSAS 18001. The power station also carries out regular mock drills on disaster management. An appreciation memento was received from the East Godavari District EHS Association for the best mock drill performance in the district. The Plant has been recognised with "Green Tech Platinum Safety Award - 2016". Zero Discharge of Industrial Effluents for the past 123 months in a row is one of the major milestones of the power station which is achieved by using "Reduce, Recycle and Reuse" concepts (achieved through the recovery of Steam and Water Analysis System as well as higher Cycle of Concentration (COC) operation of Cooling Water Systems.

The Emission parameters of these power stations are provided in the management discussion and analysis section of the annual report.

**7. Number of show cause/ legal notices received from Central Pollution control Board (CPCB) /State Pollution control Board (SPCB) which is pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

DTPS has not received any show cause / legal notice from CPCB. However, it has received the following two show cause notices from Maharashtra Pollution Control Board (MPCB) during the financial year 2016-17.

- a. No. MPCB/JD(APC)/TB/1101 dated March 17, 2017 against Installation of real time online monitoring system for the analysis of coal ash within the stipulated period.

- b. No. MPCB/JD(APC)/TB/1102 dated March 17, 2017 against the ash content in coal samples of indigenous coal collected at DTPS is more than 34 per cent.

These show causes have been replied promptly with documentary evidences on the required compliances, with a request to withdraw the same. There has been no fine levied or proceedings initiated against DTPS.

**Principle 7**

**Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

**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 various trade and industry associations. Some of them are:

- a. Bombay Chamber of Commerce and Industry
- b. Indian Merchants' Chamber,
- c. All India Association of Industries and

**2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? If yes specify the broad areas.**

The Company periodically takes up matters concerning statutory and regulatory issues as also policies and reforms in the power and infrastructure sectors through associations and chambers of commerce.

**Principle 8**

**Businesses should support inclusive growth and equitable development**

**1. Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.**

Yes, the Company has specified programmes/initiatives/ projects for pursuing its Corporate Social Responsibility (CSR) policy.

As part of the CSR mandate, the Company focuses on three key thematic areas - education, healthcare and rural transformation (which include development of infrastructure facilities, skill building and promotion of sustainable livelihood, improving the socio-economic status of women, the youth) and two cross-cutting themes which cut across all our social endeavours, that is, Environment and Swachh Bharat Abhiyan (sanitation).

The organization focuses on its endeavour to bring about a tangible change in the lives of people living in rural, underprivileged areas.

Corporate Social Responsibility (CSR) Policy of the Company aims at achieving the equitable development. Since locations of the projects are in economically and socially backward locations of India, it is a constant endeavour to include the local community as a critical stakeholder in the inclusive measures initiated by the Company.

In the last one year, the Company has undertaken several initiatives to support inclusive growth and equitable development for social and economic betterment of the community through several CSR programmes and active participation from enthusiastic employee volunteers. Below are key endeavours undertaken by the Company during the year 2016–2017.

### a. Education

Education is the basic tool to bring development to an area and its population. We at the Company aim at building required environment and infrastructure to create a pool of human resource both within and across our area of operations. DTPS is involved in several CSR initiatives regarding education in the surrounding areas of the plant. Project Prasar Jyothi carried on by the company's Power Distribution Division, provides specialized training on study skills to the poor and underprivileged students from slums of eastern suburbs.

### b. Healthcare

A vision to strengthen healthcare systems in the communities we serve and empower individuals to make informed choices has enabled us to implement programmes on community health with special focus on health of elderly, women and young ones through our various programmes. The parent company as also some of its subsidiaries has made contributions for promoting healthcare to a nonprofit accredited organisation.

Initiatives involving multi specialist health camps, sanitation awareness campaigns, preventive care medical camps, provision of medical equipment to local health centres were also undertaken. In Dahanu, DTPS arranged a Mobile Medical van which visited various villages according to its daily schedule and attended to the affected population. The plant also organised blood donation camp twice a year wherein more than 240 people donated blood. Health checkup programme for pregnant ladies is started in surrounding villages. With the help of gynaecologist along with our CSR team and based on her advice, medical tests were conducted and medicines were provided.

Every year, the Company contributes more than 1,000 units of blood collected through 12 or more locations spread along the Mumbai Distribution Area and almost equal number of Units through its pan India offices twice a year as a mark of respect to our founder Chairman Shri Dhirubhai H Ambani. The Company is proud that these Blood Units go a long way in serving the masses of the society in distress. This campaign has been in progress since 2003. The donation so far from this Division alone stands at 6,805 units of blood and the Company was presented an award for serving the community at large, at various levels by the State Blood Transfusion Council and various Hospitals from Mumbai.

### c. Rural Transformation

We have been working on transforming the rural terrain with a focus on promoting social security, parameters pertaining to human development and supporting environment. Since locations of the projects are in economically and socially backward locations of India, it is a constant endeavour to include the local community as a critical stakeholder in the inclusive measures initiated by the Company.

DTPS in association with NABARD initiated a programme "Integrated Tribal Development Project" in selected villages of Dahanu Block. This project is to cater to economic upliftment of tribal and Warli tribes which dominate the Dahanu Taluka in Palghar District covering 1,000 land owning tribal families phased over seven years, for developing one acre "Wadi" and also to benefit at least 100 landless tribal families with livelihood support. The estimated project cost is ₹ 4.56 crore. The total project cost 50 per cent is funded by Rinfra and 50 per cent by NABARD Program and the execution agency is MITTRA.

The Integrated Tribal development project is holistic in approach and addresses natural resource management (soil cover and water) and its conservation, production, processing and establishing sustainable market linkages for marketing of the produce. The programme also focuses on federating community members into entities with a sole purpose of enabling them to run the model on a sustained basis by building their capacities and empowering them with the technical and operational know-how's. The model has achieved at least 80 per cent–100 per cent increase in the earning capacities of the farming communities engaged in Wadi over a period of seven years.

### d. Sanitation

Our approach towards Swachh Bharat Abhiyan lies in creating an enabling environment which is brought about by the following two focus elements, that is access to Sanitation hardware i.e. improved systems, facilities, technology and infrastructure and improved hygiene practices and behavioral change.

At the core of these initiatives lies the need to engage with the employees and promote volunteering to sensitize, to induce adult behavioral change and to promote sustained interventions and ownership amongst the participating teams.

The Company has engaged with the management of Sanjay Gandhi National Park (SGNP) at Borivali and organized a campaign involving the collection of plastic and other waste with the participation of employees and local people. In another such collaboration, the Company provided co-sponsorship to the annual event of International Coastal Clean-up (ICC) arranged by Indian Coast Guard on September 17, 2016 at Juhu and Dahanu



Business Responsibility Report

beach. Waste generated during immersion activity was collected /retrieved from the beach on the day along with Indian Coast Guard officials and handed over to municipal authorities for disposal. On account of these cleanliness drives, more than 300 kilogram of plastic and other solid waste was collected and handed over to Municipal authorities at the respective places for disposal.

**e. Environment**

The imperative is to use natural resources efficiently to leave a minimal carbon footprint and impact on biodiversity across our business value chain. The group strives to develop and promote processes and newer technologies to make all our products and services environmentally responsible. The philosophy behind is to create a sustainable eco-sphere of low carbon economy by following the 5 R guidelines of Reduce, Reuse, Recycle, Renew and Respect for the environment and its resources through the entire supply management.

Apart from introducing and adopting green technologies at all our power generation units, we give due impetus to the need to green the ecosphere in which we operate thereby sequestering carbon emissions by planting saplings of tree varieties. The Company employees have planted around 1,000 saplings of various Indian trees at farm borders and road sides in the Narpad village, Dahanu, while planted over 1,000 saplings in the NGO, Hariyali managed nursery at Mulund, and also at Aarey colony. More than 340 Company employees participated in the aforesaid voluntary labour activity in batches scheduled all through the year contributing over 900 man-hours towards the cause of cleaning and greening. The National Park and Hariyali authorities have greatly appreciated the efforts made by Company.

Young Energy Savers (YES) is an initiative by the Company to sensitize the young kids about energy conservation. This was done by reaching out to children from 4<sup>th</sup> to 8<sup>th</sup> standard across various types of schools in the Mumbai suburbs and spreading the message of energy conservation in a playful, interactive and interesting manner. This year, YES conducted the energy conservation workshops at 25 additional schools covering more than 20,000 children. YES has a community base of over 2.73 lakh fans on the social media - Facebook page and more than 3000 followers on Twitter.

The Company reached to more than 11,500 consumers from various societies, slums, colleges under 'Urja Samvardhan Upkram' (Energy Conservation Workshop) through more than 90 interactive sessions. Use of presentation in vernacular language, specially developed Audio Video clips and creatively designed 'Energy Conservation Leaflets' in various language help us to create and raise awareness on Energy Conservation practices.

To summarize, the Company and its subsidiaries have lived up to their responsibilities as corporate citizens and have endeavoured to bring about an all round transformation in the vicinity of the project sites for the common good of the needy and the under privileged

**2. Are the programmes/projects undertaken through in-house team/own foundation / external NGO / government structures /any other organization?**

While the Company undertakes most of the CSR projects and initiatives through its own team or through Group initiatives, some of the projects are conducted in association with external organisations on need basis. The Company's efforts, mentioned in the programmes specified above are implemented through delivery mechanisms comprising of employees, local bodies, non-governmental organizations, not-for-profit entities and government Institutions to mention a few. The interventions are carried out in tandem with the Government bodies to meet the social mandate for the earmarked communities. The execution of the programmes under the thematic heads Education, Healthcare, Rural Transformation, Environment and Sanitation are carried out with the support from development sector organizations, Institutions apart from implementation through respective CSR teams. Employee volunteering also acts as a critical implementing arm across our earmarked locations. Induction of employee volunteers and their contribution towards meeting our CSR mandate on a sustained basis has enabled us to not only inculcate the tenets but also ensure sustainability and continuous technical support to the projects.

**3. Have you done any impact assessment of your initiative?**

With a view to enhancing the effectiveness of the CSR projects and initiatives, success parameters both on qualitative as well as quantitative terms are embedded during the programme plan. These parameters are evaluated through the programme and feedback obtained on regular basis from the concerned stakeholders, including the target beneficiaries of the CSR projects. The data is collated and appropriately analysed for refining future CSR projects. Also, impact analysis of each and every CSR activity is carried out on a regular basis.

For instance, under educational programmes for developing learning environment at primary schools, the attendance and academic progress of school children are monitored on a regular basis. It has been observed that the initiative motivated the students to attend school on a regular basis with lesser instances of sickness related absenteeism and inculcated the interest towards studies thereby improving the grades of the student.

**4. What is your company's direct contribution to community development projects?**

The Company has spent ₹ 32.78 crore as direct contribution to community development projects under the thematic heads Education, Healthcare, Rural transformation, Swachh Bharat Abhiyan and Environment. The subsidiaries of the Company have spent an amount of ₹ 5.46 crore on various CSR initiatives.

These projects are directly intended for improving the quality of life of community with well designed strategies of replicability, scalability and sustainability, which are owned by the community. The details of such programmes, initiatives and projects are furnished in the CSR Report as an annexure to the Directors report as well as under the Management Discussion and analysis provided elsewhere in the report.

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?**

Yes, engagement of the community is paramount for sustaining a programme on ground. We ensure engagement of the community at the very planning stage and thereafter inducting them at the implementation level. This not only ensures acceptance of the programme on ground but also its continuity and sustainability.

We believe our role as Enablers can promote dynamic development by creating synergies with our partners in growth and success: the communities. We are committed to augmenting the overall economic and social development around the local communities where we operate by discharging our social responsibilities in a sustainable manner. The interventions have been aligned with that of the government mandate both at the local as well as the state level. We have been working in the direction of creating meaningful partnerships through series of engagements and transparency in our processes across board. This is undertaken by initiating meaningful grassroots participation with local bodies/institutions/NGOs to support and augment interventions in areas undertaking stakeholder engagement to identify their perceived needs.

### Principle 9

**Businesses should engage with and provide value to their customers and consumers in a responsible manner**

**1. What percentage of customer complaints / consumer cases are pending as on the end of financial year?**

As a Distribution Licensee, 'Standards of Performance (SOP)' notified by the Maharashtra Electricity Regulatory Commission, which specify time limits for resolution of customer complaints are applicable. There are a few cases of SOP violations under regulation 6.1 for Fuse off call, 6.3 for underground cable fault, 6.4 for transformer failure and 7.2 for meter reading at the end of financial year but no compensation has been claimed / paid. The pending complaints at the end of the respective quarter are cases which are in process.

**2. Does the Company display product information on the product label, over and above what is mandated as per local laws?**

While the Company does not deal in any specific branded product, every effort is made to provide value added information to the customers of its Mumbai Distribution

business on the services rendered to our customers by way of printing messages on electricity bills, social media, Mobile Apps and through SMS.

The Company provides an informative electricity bill with higher visibility of key contents for quick reference and also provides a mode of communication, carrying customer education tips, personalized messages, past consumption trends, etc. Bills are offered to the customers in the language of their choice – English, Hindi, Marathi and Gujarati. The bills also contain information about modes of payment available to the customers. Customers also have an option of opting for paperless billing and contribute towards the environment

**3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year.**

Neither any complaint was filed relating to above during the past five years nor is any complaint pending as at the end of financial year.

**4. Did your Company carry out any consumer survey/ consumer satisfaction trends?**

With an objective to measure transaction effectiveness and perception levels, the Company conducts two types of customer satisfaction surveys at a regular frequency.

Customer Transaction Assessment (CTA): These surveys are carried out annually to measure the transaction effectiveness of key customer touch points, which include customer care centres, call centre and e-mail desk.

Customer Relationship Assessment (CRA): The key objective of this survey is to gauge the customer perception of Reliance Energy as a brand vis-à-vis its competitors. segment-specific insights are sought from this survey.

The Company's Registrar & Transfer Agent Karvy Computershare Private Limited renders investor services to the investors with regard to matters related to the shares and certifying of dividend payments. Karvy services investors through its network of around 400 branches and has dedicated investor helpline number 1800 4250 999. The feedback received from the shareholders indicate that they are satisfied with the services being rendered.

The Company would continue to contribute actively to community welfare activities and take up initiatives and measures for the upliftment of various segments of the society.

Corporate Governance Report

**Our Corporate Governance Philosophy**

Reliance Infrastructure Limited follows the highest standards of corporate governance principles and best practices. All the constituent companies in the Group also follow standardized principles and practices to uphold the spirit of corporate governance to the letter of the law. These policies followed by the Company prescribe a set of systems and processes which are guided by the core principles of transparency, disclosure, accountability, compliances, ethical conduct and the commitment to promote the interests of all stakeholders. The policies and the code are subjected to periodic review in the light of changes in the relevant Regulations and best practices to ensure that they continue to be relevant and effective and cater to the need of our stakeholders.

**1. Governance Policies and Practices**

We follow governance practices in letter and spirit and with this objective in mind we have evolved a number of policies and apply the following set of governance practices:

**a. Values and commitments**

We have set out and adopted a policy document on 'Values and Commitments of Reliance Infrastructure'. We believe that any business conduct can be ethical only when it rests on the nine core values viz., honesty, integrity, respect, fairness, purposefulness, trust, responsibility, citizenship and caring.

**b. Code of ethics**

We follow a 'Code of Ethics' which enjoins upon our employees to conduct business with integrity and by excluding any considerations of personal gain or benefit.

**c. Business policies**

Our 'Business Policies' cover the entire spectrum of issues such as fair market practices, insider information, financial records and accounting integrity, external communication, work ethics, personal conduct, policy on prevention of sexual harassment, health, safety, environment and quality.

**d. Separation of the Board's supervisory role from the executive management**

In line with best global practices, we have adopted the policy of separating the Board's supervisory role from the executive management. We have also split the posts of the Chairman and CEO.

**e. Prohibition of insider trading policy**

This document contains the policy on prohibiting trading in the securities of the Company, based on insider or privileged information.

**f. Policy on prevention of sexual harassment**

Our policy on prevention of sexual harassment aims at promoting a productive work environment and protects individual rights against sexual harassment.

**g. Whistle blower policy / Vigil mechanism**

Our Whistle Blower policy encourages disclosure in good faith of any wrongful conduct on a matter of general concern and protects the whistle blower from any adverse vindictive action.

We confirm that no personnel has been denied access to the Audit Committee for ventilating any issues relating to wrongful conduct.

**h. Environment and Corporate Social Responsibility**

The Company is committed to achieve excellence in environmental performance, preservation and promotion of a clean environment. These are central to all our business activities. The Company has also developed a CSR policy which is intended towards contributing to improving the quality of life.

**i. Risk management**

Our risk management procedures ensure that the Management controls business related risks through means of a properly defined framework and by a number of mitigation measures.

**2. Board room practices**

**a. Chairman**

In line with the highest global standards of corporate governance, the Board has separate Chairman's role from that of an executive in managing day-to-day business affairs.

**b. Board charter**

The Board of Directors has adopted a comprehensive charter, which sets out appropriate guidelines on matters relating to the composition of the Board, the scope and functions of various Committees, etc.

**c. Board committees**

Pursuant to the provisions of the Companies Act, 2013 (the "Act") and Regulation 15(2) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 ("Listing Regulations"), the Board has constituted Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Employees Stock Option Compensation Committee, Corporate Social Responsibility Committee, Risk Management Committee, Environment, Health and Safety Committee and InVIT Committee.

**d. Selection of Independent directors**

Considering the requirement of skill sets on the Board, eminent persons having independent standing in their respective fields/professions, and who can effectively contribute to the Company's business and policy decisions are considered for appointment by the Nomination and Remuneration Committee, as Independent Directors on the Board. The Committee, inter alia, considers qualifications, positive attributes, areas of expertise and number of directorships and memberships held in various committees of other companies by such persons. The Board considers the Committee's recommendation and takes appropriate decisions.

Every Independent Director, at the first meeting of the Board after he/she is appointed as a Director and thereafter at the first meeting of the Board in every financial year, provides a declaration that he/she meets with the criteria of independence as provided under the statute and the Listing Regulations.

### e. Tenure of independent directors

Tenure of independent directors on the Board of the Company shall not exceed the time period as per provisions of the Act and the Listing Regulations.

### f. Familiarisation for Board Members

The Board members are periodically given orientation and familiarized with respect to the Company's vision, strategic direction, financial matters and business operations. The Directors are encouraged to become familiar with the Company's functions at the operational levels through interface with the members of the Senior Management. Periodic presentations are made at the Board and Committee Meetings, on business and performance updates of the Company, the macro Industry business environment, business strategy and risks involved. Members are also provided with the necessary documents / brochures, reports and internal policies to enable them to familiarize themselves with the Company's procedures and practices. Periodic updates and programs for members are also carried out on relevant statutory changes and on important issues impacting the Company's business environment.

The details of the programmes for familiarization of independent directors have been put up on the website of the Company at the link [http://www.rinfra.com/pdf / Familiarisation\\_programme.pdf](http://www.rinfra.com/pdf/Familiarisation_programme.pdf).

### g. Meeting of independent directors with operating teams

The Independent Directors of the Company meet the various operating teams as and when it is deemed necessary. These discussions may include topics such as, operating policies and procedures, risk management strategies, measures to improve efficiencies, performance and compensation, strategic issues for Board consideration, flow of information to directors, management progression and succession and others as the independent directors may determine. During these sessions, the independent directors have access to members of management and other advisors, as they may deem fit.

### h. Annual Calendar of Meetings

The meeting dates for the entire financial year are scheduled at the beginning of the year and an annual calendar of meetings of the Board and its Committees is circulated to the Directors. This enables the Directors to plan their commitments and facilitates their attendance at the meetings of the Board and its Committees.

### i. Role of the Company Secretary in Governance Process

The Company Secretary plays a pivotal role in ensuring that the Board (including Committees thereof) procedures are followed and regularly reviewed. He ensures that all relevant information, details and documents are made available to the directors and senior management for effective decision making at the meetings. He is primarily responsible for assisting the board in the conduct of affairs of the Company, to ensure compliance with the applicable statutory requirements and Secretarial Standards to provide guidance to directors and to facilitate convening of meetings. He interfaces between the Management and the regulatory authorities for governance matters. All the Directors of the Company have access to the advice and services of the Company Secretary.

### j. Independent Statutory Auditors

The Company's financial statements are audited by a panel of two leading independent audit firms namely: M/s Haribhakti & Co. LLP, Chartered Accountants and M/s Pathak H D & Associates, Chartered Accountants.

### k. Compliance with the code and rules of London Stock Exchange

The Global Depositary Receipts (GDRs) issued by the Company are listed on the London Stock Exchange (LSE). The Company has reviewed the code of corporate governance of LSE and the Company's corporate governance practices conform to these codes and rules.

### l. Compliance with the Listing Regulations

The Company is fully compliant with the corporate governance requirements specified in the Listing Regulations.

We present our report on compliance of governance conditions specified in Listing Regulations:

#### I. Board of Directors

##### 1. Board Composition – Board strength and representation

As on March 31, 2017, the Board comprised of eight members. The composition and category of directors on the Board of the Company were as under:

Sr No	Names of Directors	DIN	Category
1	Shri Anil D Ambani Chairman	00004878	Promoter, Non-executive and Non-independent director
2	Shri S Seth, Vice Chairman	00004631	Non-executive and Non-independent directors
3	Dr V K Chaturvedi	01802454	
4	Shri Shiv Prabhat	07319520	
5	Shri S S Kohli	00169907	Independent Directors
6	Shri K Ravikumar	00119753	
7	Shri V R Galkar	00009177	
8	Ms Ryna Karani	00116930	

#### Notes:

- None of the directors is related to any other director.
- None of the Independent directors has any business relationship with the Company.
- None of the directors has received any loans and advances from the Company during the year.

All the Independent Directors of the Company furnish a declaration at the time of their appointment as also confirm annually that they qualify the conditions of their being independent. Such declarations are placed before the Board and taken on record.

#### 2. Conduct of Board proceedings

The day to day business is conducted by the executives and the business heads of the Company under the direction of the Board led by the Chairman. The Board holds at least four meetings every year to review and discuss the performance of the Company, its future plans, strategies and other pertinent issues relating to the Company.

Corporate Governance Report

The Board performs the following specific functions in addition to overseeing the business and the management:

- Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestments.
- Monitoring the effectiveness of the Company's governance practices and making changes as needed.
- Selecting, compensating, monitoring and, when necessary, replacing key executives and overseeing succession planning.
- Aligning key executive and board remuneration with the long term interests of the Company and its shareholders.
- Ensuring a transparent board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.
- Monitoring and managing potential conflicts of interest of management, members of the Board of Directors and shareholders, including misuse of corporate assets and abuse in related party transactions.
- Ensuring the integrity of the Company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control and compliance with the law and relevant standards.
- Overseeing the process of disclosure and communications:
- Carrying out the performance evaluation of the Board.

**6. Attendance of directors**

Attendance of directors at the Board Meetings held during the financial year 2016-17 and at the last Annual General Meeting (AGM) held on September 27, 2016 and the details of directorships (as per the provisions of Section 165 of the Companies Act, 2013), Committee Chairmanship and Committee memberships held by the directors as on March 31, 2017 are as under:

Names of Directors	Number of meetings attended out of Seven meetings held	Attendance at the last AGM held on September 27, 2016	Number of directorships (including RInfra)	Committee membership (including RInfra)	
				Membership	Chairmanship
Shri Anil D Ambani	7	Present	14	1	None
Shri S Seth	6	Present	9	3	None
Shri S S Kohli	5	Present	12	5	4
Dr V K Chaturvedi	7	Present	2	2	None
Shri K Ravikumar	5	Present	2	1	1
Shri V R Galkar	6	Present	4	2	1
Ms. Ryna Karani	7	Present	7	6	1
Shri Shiv Prabhat	5	Present	1	1	None

**Note:**

- None of the directors hold directorships in more than 20 companies of which directorships in public companies does not exceed 10 in keeping with the provisions of Section 165 of the Act.
- No director holds membership of more than 10 committees of board nor is a Chairman of more than 5 committees across board of all listed entities.

**3. Board meetings**

The Board held seven meetings during the financial year 2016-17 on the following dates:

May 28, 2016, June 4, 2016, September 13, 2016, September 19, 2016, November 12, 2016, February 13, 2017 and March 16, 2017.

The maximum time gap between any two meetings was 100 days and the minimum gap was 5 days. The meetings were held in Mumbai.

**4. Legal Compliance Monitoring**

The Company monitors statutory compliances through a system driven tool called Legatrix which has the facility of capturing all the statutes that impact the Company's operations as also those of its operating subsidiary companies. All the compliances ensured are reported online in the tool with provision of back up, wherever necessary, in support of actual compliances. The programme is coordinated and monitored by the Compliance Officer at the corporate office. Non-compliances/delayed compliances, if any are reported for remedial action.

A compliance certificate from the Company Secretary based on the reports generated from Legatrix is placed for periodical review by the Board, pursuant to the requirements of the Listing Regulations.

**5. Secretarial Standards issued by ICSI**

Pursuant to the provisions of Section 118(10) of the Act, the company is fully compliant with the requirements of the secretarial standards on General Meetings(SS-2) and on Meetings of Board of Directors (SS-1) issued by the Institute of Company Secretaries of India (ICSI), as approved by the Central Government which have become mandatory from July 1, 2015.



- c. No independent director of the Company holds the position of independent director in more than 7 listed companies as required under Listing Regulations.
- d. The information provided above pertains to the following committees in accordance with the provisions of Listing Regulations: (i) Audit Committee and (ii) Stakeholders Relationship Committee.
- e. The Committee memberships and chairmanships above, exclude membership and chairmanship in private companies, foreign companies and in Section 8 companies.
- f. Memberships of Committees excludes chairmanships, if any.

The Company's independent directors meet at least once in every financial year without the attendance of Non-Independent Directors and Management Personnel. A meeting of Independent directors was held on April 15, 2017.

### 7. Details of directors

Brief resume of all directors is furnished hereunder:

**Shri Anil D. Ambani**, 58 years, B.Sc. Hons. and MBA from the Wharton School of the University of Pennsylvania, is the Chairman of our Company, Reliance Capital Limited, Reliance Communications Limited, Reliance Power Limited and Reliance Defence and Engineering Limited.

As on March 31, 2017, Shri Anil D. Ambani held 1,39,437 equity shares of the Company.

**Shri S Seth**, 61 years, is a Fellow Chartered Accountant and a law graduate. He has vast experience in general management. Shri S Seth is also on the Board of Reliance Telecom Limited, Reliance Power Limited, Reliance Anil Dhirubhai Ambani Group Limited, Reliance Defence and Aerospace Private Limited, Reliance Defence Systems Private Limited, Reliance Defence Technologies Private Limited, Reliance Defence Limited and Reliance Defence and Engineering Limited.

As on March 31, 2017, Shri S Seth did not hold any shares of the Company.

**Shri S S Kohli**, 72, was the Chairman and Managing Director of India Infrastructure Finance Company Limited (IIFCL), a wholly owned company of the Government of India till April 2010, engaged in promotion and development of infrastructure. Under his leadership, IIFCL commenced its operations and carved a niche for itself in financing infrastructure projects. The support of IIFCL helped in speedier achievement of financial closure of infrastructure projects in sectors like highways, airports, seaports, power, etc. IIFCL was conferred with the "Most Admired Infrastructure Financier 2010" by KPMG Infrastructure. Shri Kohli had long experience as a banker, spanning over 40 years having held positions of Chairman and Managing Director of Punjab and Sind Bank, Small Industries Development Bank of India (SIDBI) and Punjab National Bank (PNB). PNB is one of the largest public sector banks in India. During his chairmanship of PNB,

he undertook total transformation of the Bank. Under his leadership, PNB became a techno-savvy Bank by implementing core banking solution and introducing various technology-based products and services. PNB also emerged as one of the India's Most Trusted Brands and the PNB Group floated three public offerings of capital during his tenure which were highly successful. Shri Kohli held the Chairmanship of Indian Banks' Association, a forum for promoting the interest of banks for two terms and was member of several committees associated with financial sector policies. The committees he chaired dealt with a variety of issues relating to small/medium enterprise financing, wilful default in loans, human resources development in the banking industry and reconstruction of distressed small industries, etc. A recipient of several awards including the "Enterprise Transformation Award for Technology" by the Wharton Infosys Limited, the "Bank of the Year Award" by the Banker's Magazine of the Financial Times, London for the year 2000, and also ranked 22<sup>nd</sup> in the list of India's Best CEOs ranking over the period 1995 to 2011, by the Harvard Business Review.

He is on the Board of IDFC Limited, ACB (India) Limited, IL & FS Financial Services Limited, BSES Yamuna Power Limited, BSES Rajdhani Power Limited, Seamec Limited, Asian Hotels (West) Limited, IDFC Infra Debt Fund Limited, Bussan Auto Financial India Private Limited, S V Creditline Private Limited and BLS International Limited.

He is the Chairman of Audit Committee and member of the Nomination and Remuneration Committee, Risk Management Committee, CSR Committee Board of the company and, Employee Stock Option Scheme Compensation Committee of the Company.

As on March 31, 2017, Shri S S Kohli did not hold any shares of the Company

**Dr. V. K. Chaturvedi**, 74 years, is a former Chairman & Managing Director of Nuclear Power Corporation of India Limited. He has also been a Member of the Atomic Energy Commission, Government of India and Chairman of World Association of Nuclear Operators (WANO), Tokyo Centre and also a Governor in the International WANO Board, London for 2 years. Dr. Chaturvedi is a gold medalist in mechanical engineering (1965 batch) from Vikram University and later he did his post-graduation in nuclear engineering from BARC training school, Mumbai.

He has over 48 years of experience in relation to design, construction, commissioning and operation of nuclear power plants. He was conferred the 'Padma Shri' in the year 2001, one of India's highest civilian awards. He is also a recipient of number of other prizes and awards.

He is a Chairman of Environment, Health and Safety Committee and member of the, Employee Stock Option Scheme Compensation Committee, Stakeholders Relationship Committee and CSR Committee of the Company.

As on March 31, 2017, Dr V K Chaturvedi did not hold any shares of the Company.

**Shri K Ravikumar**, 67 years was the former Chairman and Managing Director (CMD) of Bharat Heavy Electricals



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Limited (BHEL), which ranks among the leading companies of the world engaged in the field of power plant equipment. As CMD, he was responsible for maximizing market-share and establishing BHEL as a total solution provider in the power sector. The Company was ranked 9<sup>th</sup> in terms of market capitalization in India during his tenure at BHEL. He had handled a variety of assignments during his long career spanning over 36 years. His areas of expertise are design and engineering, construction and project management of thermal, hydro, nuclear, gas based power plants and marketing of power projects.

Shri Ravikumar had the unique distinction of having booked USD 25 billion order for BHEL. His vision was to transform BHEL into a world class engineering enterprise. Towards this, he pursued a growth strategy based on the twin plans of building both capacity and capability and this had resulted in an increase in BHEL's manufacturing capacity from 10,000 MW to 20,000 MW per annum. He also introduced new technologies in the field of coal and gas based power plants for the first time in the country, such as supercritical thermal sets of 660 MW and above rating, advance class gas turbines large size CFBC boilers and large size nuclear sets. BHEL has the distinction of having installed over 1,00,000 MW of power plant equipment worldwide.

Shri Ravikumar had also forged a number of strategic tie ups for BHEL with leading Indian utilities and corporates like NTPC Limited, Tamilnadu State Electricity Board, Nuclear Power Corporation of India Limited, Karnataka Power Corporation Limited, Heavy Engineering Corporation Limited to leverage equipment sales and develop alternative sources for equipment needed for the country. He had guided BHEL's technology strategy to maintain the technology edge in the market place with a judicious mix of internal development of technologies with selective external co-operation. He had focused on meeting the customer expectation and has strengthened BHEL's image as a total solution provider.

He possesses M.Tech Degree from the Indian Institute of Technology, Chennai besides Post-Graduate Diploma in Business Administration. He was conferred Alumni Awards from the Indian Institute of Technology, Chennai and the National Institute of Information Technology, Trichy and was the Ex-Chairman of BOG National Institute of Information Technology, Mizoram. He has published a number of research papers in the field of power and electronics.

He is also a director on the Board of Spel Semiconductor Limited. He is the Chairman of Stakeholder Relationship Committee and member of the Audit Committee, Risk Management Committee and CSR Committee of Board in the Company.

As on March 31, 2017, Shri. K Ravikumar did not hold any shares of the Company.

**Shri V. R. Galkar**, 73 years, B.Com, LLB, FCA, is a Practicing Chartered Accountant. Shri V. R. Galkar was former Executive Director (Investments) of Life Insurance Corporation of India (LIC) and held the office of the Director on the Board of Directors of the Company from June 9, 2003 to November 12, 2010. He has vast

experience in the field of finance, accounts and audit. He is also on the Board of Crest Ventures Limited and Crest Wealth Management Private Limited and SBICAP Securities Limited.

He is a Chairman of Risk Management Committee, Nomination and Remuneration Committee and member of the Audit Committee and Stakeholder Relationship Committees of the Company.

As on March 31, 2017, Shri V R Galkar did not hold any shares of the Company.

**Ms Ryna Karani**, 49 years, is partner of ALMT Legal, Advocates and Solicitors since November 2006 and part of the firm's corporate and commercial team. She has been practicing as a lawyer since 1994 and is enrolled as Advocate with the Bar Council of Maharashtra and Goa. Her practice includes advising on mergers and acquisitions, joint ventures, private equity and investment funds on a full range of corporate transactions including cross border transactions. She has advised and assisted a number of foreign clients in establishing a presence in India through incorporation of companies and/or establishment of liaison offices. She is a member of the Society of Women Lawyers.

Besides her M&A practice, she advises clients on infrastructure projects including submission and preparation of Request for Proposal (RFPs), finalizing tenders, drafting and negotiating concession agreements and related documents.

Ms Ryna Karani also regularly advises clients on loan transactions (both Rupee and external commercial borrowings), including drafting and negotiating the loan agreements, security and other related documents. She also provides advice on general corporate matters, commercial contracts real estate matters.

She is a director on the Board of Addviant India Private Limited, Mumbai Metro One Private Limited, BSES Yamuna Power Limited, BSES Rajdhani Private Limited, Reliance Defence and Engineering Limited and INEOS Styrolution India Limited.

She is a Chairperson of CSR Committee and also a member of the Audit Committee, Risk Management Committee, Environment, Health and Safety Committee, Employee Stock Option Scheme Compensation Committee of the Company.

As on March 31, 2017, Ms. Ryna Karani held 100 equity shares of the Company.

**Shri Shiv Prabhat**, 59 years, B.A. (Hons.), Masters in English Literature, joined the Life Insurance Corporation of India (LIC) in 1985 as Assistant Administrative Officer and rose to the current position of Executive Director (Micro Business). During his tenure spanning 30 years, Shri Shiv Prabhat has taken up important assignments, Marketing manager and then Divisional Manager, Divisional Office, Senior Divisional Manager, Secretary (marketing) at Central Mumbai Office, wherein he was involved in various strategy formulation of the Corporation for business growth and new initiatives. On elevation to the cadre of Zonal Manager, he was posted as Regional Manager (Marketing.), North Zone, Delhi where he was heading

the Marketing Departments of North zone consisting of State of Haryana, Punjab, Rajasthan, Himachal Pradesh, Jammu and Kashmir. He was also Chief (SBU-Estates), Central office and Chief (Office Services) at Central Office, Mumbai during the year 2013-15 and thereafter he was elevated to the position of Executive Director (Micro Insurance). Micro Insurance is a separate business vertical and one of the alternate channels of business of LIC.

He is a the Chairman of Employee Stock Option and Scheme Compensation Committee and member of the Audit Committee, Nomination and Remuneration Committee, Risk Management Committee and Environment, Health and Safety Committee of the Company.

As on March 31, 2017, Shri Shiv Prabhat did not hold any shares of the Company.

### 8. Insurance coverage

The Company has obtained Directors and Officers liability insurance cover in respect of any legal action that might be initiated against Directors/ Officers of the Company and its subsidiary companies.

### II. Audit Committee

The Audit Committee comprises of Shri S S Kohli as a Chairman, Shri K Ravikumar, Shri V R Galkar, Ms. Ryna Karani and Shri Shiv Prabhat as members. All Members of the Committee are financially literate.

The Audit Committee, inter alia, advises the management on the areas where systems, processes, measures for controlling and monitoring revenue assurance, internal audit and risk management can be improved. The minutes of the meetings of the Audit Committee are placed before the Board.

Pursuant to the provisions of the Act and the Listing Regulations, the Board has approved the terms of reference of the Audit Committee as under:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for the appointment, reappointment, terms of appointment and replacement/removal of the statutory auditors of Company;
3. Approval of payment to statutory auditors for any other services rendered by statutory auditors;
4. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to :
  - a. Matters required to be included in the Director's Responsibility Statement to be included in Boards' Reporting terms of Clause (c) of Sub Section 3 of Section 134 of the Act;

- b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions; and
  - g. Qualifications in the draft audit report.
5. Reviewing with the management, the quarterly financial statements before submission to the 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 funds 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 steps in this matter;
  7. Review and monitor the auditors' independence and performance, and effectiveness of audit process;
  8. Approval and Review on quarterly basis, of Related Party Transactions entered into by the Company pursuant to the omnibus approval given and of any subsequent modifications therein.
  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 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;

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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 payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
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.; and
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee is also authorised to:

- a. Investigate any activity within terms of reference;
- b. Seek any information from any employee;
- c. Obtain outside legal and professional advice;
- d. Secure attendance of outsiders with relevant expertise, if it considers necessary;
- e. Call for comments from the auditors about internal control systems and scope of audit, including the observations of the auditors;
- f. Review financial statements before submission to the Board; and
- g. Discuss any related issues with the internal and statutory auditors and the management of the Company.

**Attendance at the meetings of the Audit Committee held during 2016-17**

The Audit Committee held four meetings during the year on May 27, 2016, September 12, 2016, November 11, 2016, February 13, 2017. The maximum gap between any two meetings was 107 days and the minimum gap was 59 days.

Members	Number of meetings held during the year	Number of meetings attended
Shri S S Kohli	4	4
Shri K Ravikumar	4	4
Shri V R Galkar	4	4
Ms. Ryna Karani	4	4
Shri Shiv Prabhat	4	3

The Chairman of the Audit Committee was present at the previous Annual General Meeting of the Company.

The Committee considered at its meetings issues, as per its terms of reference at periodic intervals.

Shri Ramesh Shenoy, Company Secretary, acts as the Secretary to the Audit Committee.

During the year, the Committee discussed with the statutory auditors of the Company, the overall scope and plans for carrying out the independent audit. The management represented to the Committee that the Company's financial statements were prepared in accordance with the prevailing laws and regulations. The Committee discussed the Company's audited financial statements, the rationality of significant judgments and clarity of disclosures in the financial statements. Based on the review and discussions conducted with the management and the auditors, the Audit Committee believes that the Company's financial statements are presented in conformity with the prevailing laws and regulations in all material aspects.

The Committee also reviewed the internal controls put in place to ensure that the accounts of the Company are properly maintained and that the accounting transactions are in accordance with the prevailing laws and regulations. While conducting such reviews, the Committee found no material discrepancy or weakness in the internal control systems of the Company. The Committee also reviewed the financial policies of the Company and expressed its satisfaction with the same. The Committee, after review, expressed its satisfaction on the independence of both the internal as well as the statutory auditors.

Pursuant to the requirements of Section 148 of the Act, the Board has, based on the recommendation of the Committee, appointed Cost Auditors to audit the cost records of the Company. The cost audit reports are placed and discussed at the Audit Committee Meeting.

**III. Nomination and Remuneration Committee**

The Nomination and Remuneration Committee comprises of three members, Shri V R Galkar as Chairman and Shri S S Kohli and Shri Shiv Prabhat.

Shri Ramesh Shenoy, Company Secretary, acts as the Secretary to the Nomination and Remuneration Committee.

The terms of reference of the Committee, inter alia, includes the following:

1. formulation of the criteria for determining qualifications, positive attributes and independence of directors and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. process for selection and appointment of new directors and succession plans;
3. recommend to the Board from time to time, a compensation structure for directors and the senior management personnel;
4. to identify persons who are qualified to be appointed in Senior Management in accordance with the criteria laid down and to recommend their appointment to and/or removal from the Board;
5. to formulate the criteria for evaluation of Independent Directors and the Board and the committees thereof;

# Reliance Infrastructure Limited

## Corporate Governance Report

6. to carry out evaluation of director's performance; and
7. to devise and review policy on board diversity; and
8. to perform functions relating to all share based employee benefits.

The Company has carried out the evaluation of the Board of Directors during the year in terms of the criteria laid down by the Nomination and Remuneration Committee, details of which have been covered in the Director's Report forming part of this Annual Report.

The Chairman of the Nomination and Remuneration Committee was present at the Annual General Meeting of the Company held on September 27, 2016.

The Members at the 86<sup>th</sup> AGM held on September 30, 2015, had approved payment of commission to non-executive directors up to the limits laid down under the provisions of Section 197 and 198 of the Act, computed in the manner specified in the Act. The Company can pay Commission up to 3 per cent of net profit to non executive Directors every year. The approval of Members is valid for a period of five years with effect from April 1, 2016.

The Nomination and Remuneration Committee held one meeting during the year on May 27, 2016 during the financial year 2016-17, which was attended by all the members.

### Criteria for making payments to non-executive directors

The remuneration to non-executive directors is benchmarked with the relevant market and performance oriented, balanced between financial and sectoral market, comparative scales, aligned to corporate goals, role assumed and number of meetings attended.

### Remuneration paid to directors during the year ended March 31, 2017

Amount ₹ In lakh

Sr. No.	Names	Sitting Fees	Commission
1.	Shri Anil D Ambani	2.80	550.00
2.	Shri S Seth	3.60	8.00
3.	Shri S S Kohli	6.40	8.00
4.	Dr V K Chaturvedi	6.80	8.00
5.	Shri K Ravikumar	7.60	8.00
6.	Shri V R Galkar	7.60	8.00
7.	Ms. Ryna Karani	7.20	8.00
8.	Shri Shiv Prabhat <sup>(Refer Note c)</sup>	5.20	3.25

#### Notes:

- a. Remuneration by way of commission to non executive directors was paid for the financial year 2015-16
- b. Pursuant to the limits approved by the Board, all non-executive directors were paid sitting fees of ₹ 40,000 (excluding service tax) for attending each meeting of the Board and its Committees.
- c. The commission amount of ₹ 3.60 lakh payable to Shri R R Rai and ₹ 3.25 lakh payable to Shri Shiv Prabhat was remitted to LIC as advised by them.

- d. There were no other pecuniary relationships or transactions of non-executive directors vis-à-vis the Company.
- e. The Company has till date not issued any stock options to its directors.

### IV. Stakeholders Relationship Committee

The Stakeholders Relationship Committee comprises of Shri K Ravikumar as Chairman and Dr V K Chaturvedi, Shri V R Galkar as other members.

The Committee has been constituted in accordance with the provisions of the Act and the Listing Regulations to resolve the grievances of all the stakeholders of the Company, including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends and to perform other tasks.

During the year 2016-17, the Stakeholders Relationship Committee held four meeting meetings during the year on, May 27, 2016, September 12, 2016, November 11, 2016 and February 13, 2017. The maximum gap between any two meetings was 107 days and the minimum gap was 59 days. These meetings were attended by all the members. Shri Ramesh Shenoy, acts as the Secretary to the Committee.

The Company received 34 complaints from the shareholders during 2016-17, the details of which are provided under Investor Information section of this report. All these complaints were resolved to the satisfaction of the shareholders and there were no complaints pending as on March 31, 2017.

### V. Corporate Social Responsibility (CSR) Committee

The Corporate Social Responsibility (CSR) Committee consists of Ms Ryna Karani as Chairperson with Dr V K Chaturvedi, Shri K Ravikumar and Shri S. S. Kohli as other members. Shri Ramesh Shenoy, acts as the Secretary to the Committee.

Pursuant to Section 135 of the Act, the Committee has formulated and recommended to the Board the CSR Policy indicating the activities to be undertaken. It has also recommended the amount of expenditure to be incurred by way of CSR initiatives. The CSR Policy is also monitored by the Committee from time to time.

During the year, Corporate Social Responsibility Committee held two meetings i.e. May 27, 2016 and February 13, 2017 which was attended by all members of the Committee.

### VI. Employees Stock Option Scheme (ESOS) Compensation Committee

The Employees Stock Option Scheme Compensation Committee comprises of Shri Shiv Prabhat as a Chairman and Shri S S Kohli, Ms. Ryna Karani and Dr V K Chaturvedi as members. The Committee did not hold any meeting during financial year 2016-17, as there was no business to be transacted.

### VII. Environment, Health and Safety Committee

The Environment, Health and Safety Committee of the Board comprises of Dr V K Chaturvedi as the Chairman

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with Shri Shiv Prabhat and Ms. Ryna Karani as other members. Shri Ramesh Shenoy, acts as the Secretary to the Committee.

The Committee reviews and oversees the Company's policies, programmes and practices that affect or could affect the Company's employees, customers, shareholders, and neighbouring communities. The Committee held its meeting on February 13, 2017, and all members attended the meeting.

**VIII. Risk Management Committee**

The Risk Management Committee comprises of Shri V R Galkar as a Chairman, Shri S S Kohli, Shri Shiv Prabhat, Ms. Ryna Karani and Shri K Ravikumar, Directors and Shri Lalit Jalan, Chief Executive Officer and Shri Sridhar Narasimhan, Chief Financial Officer as members and Shri Prakash Beria as member Secretary. The Committee held four meetings during the financial year 2016-17 on May 27, 2016, September 12, 2016, November 11, 2016 and February 13, 2017.

Members	Number of Meetings held	Number of Meetings attended
Shri V R Galkar	4	4
Shri S S Kohli	4	4
Shri Shiv Prabhat	4	3
Ms. Ryna Karani	4	3
Shri K Ravikumar	4	4

The terms of reference of the Committee is as under:

- To assist the Board in its function of framing, implementing, monitoring and reviewing the risk management plan of the Company.
- To lay down procedures to inform the Board of Directors about the Risk Assessment and minimisation procedures.
- To review these procedures periodically and to ensure that the executive management controls these risks through properly defined framework.

**IX. Compliance Officer**

Shri Ramesh Shenoy, Company Secretary, is the Compliance Officer for complying with the requirements of various provisions of the laws and regulations impacting the Company's business including the Listing Regulations.

**X. General Body Meetings**

**1. Annual General Meeting**

The Company held its last three Annual General Meetings as under:

Financial Year	Date and Time	Whether Special Resolution passed
2015-16	September 27, 2016 at 2.00 p.m	Yes.  Issue of Private Placement of Non-Convertible Debentures and / or other Debt securities

Financial Year	Date and Time	Whether Special Resolution passed
2014-15	September 30, 2015 at 2.00 p.m	Yes.  i. Issue of Private Placement of Non Convertible Debentures or other Debt securities  ii. Issue of Securities to Qualified Institutional Buyers  iii. Payment of Commission to Non Executive Directors
2013-14	September 30, 2014 at 2.00 p.m.	No special resolutions were passed

The above Annual General Meetings were held at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020.

**2. Court Convened Meeting**

A Court Convened Meeting of the equity share holders of the company was held on June 6, 2016 at the Auditorium, Reliance Energy Management Institute, Jogeshwari-Vikhroli Link Road, Opposite North Gate No. 3, Aarey Colony, Aarey Colony Road, Mumbai 400 065 to approve the scheme of arrangement between the Company and Reliance Electric Generation and Supply Private Limited and their respective shareholders and creditors. The resolution was passed with the requisite majority.

**3. Postal Ballot**

- The Company had issued a Postal Ballot Notice along with the Postal Ballot form on September 19, 2016 in terms of Section 110 of the Act and results thereof were announced on October 22, 2016. Details of resolutions passed and the voting pattern are as under.

Details of Resolutions passed	Percentage of valid votes cast in favour of the resolution
i. Alteration in the Main Objects Clause of the Memorandum of Association of the Company	93.15
ii. Adoption of new Articles of Association of the Company	97.74
iii. Selling or disposing of assets/ undertaking(s) of the Company and / or creation of security (enabling authority obtained for the purpose of INVT)	90.91

Shri Anil Lohia, Partner of M/s Dayal & Lohia, Chartered Accountants was appointed as as Scrutinizer for conducting the above Postal Ballot voting process in a fair and transparent manner.

All the above resolutions were passed with requisite majority. The Company had complied with the procedure for Postal Ballot in terms of the provision of Section 110 of the Act, read with Companies (Management and Administration) Rules, 2014 and amendments thereto from time to time.

- ii. The Company had issued a Postal Ballot Notice on March 16, 2017 seeking enabling authority from the Shareholders for Issue of Securities through Qualified Institutions placement on a private placement basis to qualified institutional buyers ("QIBs"). The result of the Postal Ballot will be announced on April 25, 2017.

There is no immediate proposal for passing any resolution through Postal Ballot. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing of a special resolution through postal ballot.

### XI. Means of Communication

#### a. Quarterly Results:

Quarterly Results are published in Financial Express, English newspaper circulating substantially the whole of India and in Navshakti, Marathi newspaper and are also posted on the Company's website at the link <http://www.rinfra.com/web/rinfra/quarterly-results>.

#### b. Media Releases and Presentations:

Official media releases are filed with Stock Exchanges before their release to the media for wider dissemination. Presentations made to media, analysts, institutional investors, etc. are posted on the Company's website in the section on Investor Communications.

#### c. Company Website:

The Company's website [www.rinfra.com](http://www.rinfra.com) contains a separate dedicated section on 'Investor Relations'. It contains comprehensive database of information of interest to our investors including the financial results and Annual Reports of the Company, information on dividend declared by the Company, any price sensitive information disclosed to the regulatory authorities from time to time, business activities and the services rendered/facilities extended by the Company to our shareholder, in a investor and user friendly manner. The basic information about the Company as called for in terms of Listing Regulations is provided on the Company's website and the same is updated regularly.

#### d. Annual Report:

The Annual Report containing, inter alia, Notice of Annual General Meeting, Audited Financial Statement, Consolidated Financial Statement, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis also forms part of the Annual Report and is displayed on the Company's website.

As the Companies Act, 2013 read with the Rules thereunder and the Listing Regulations facilitate the service of documents to members through electronic means, the Company e-mails the Annual Report to all those Members whose e-mail IDs are available with its Registrar and Transfer Agent.

#### e. National Electronic Application Processing System (NEAPS):

The NEAPS is web based system designed by NSE for corporates. The Shareholding Pattern, Corporate Governance Report, Corporate announcements, media releases, financial results, etc. are filed electronically on NEAPS.

#### f. BSE Corporate Compliance and Listing Centre ("Listing Centre"):

The Listing Centre is a web based application designed by BSE for corporates. The Shareholding Pattern, Corporate Governance Report, Corporate announcements, media releases, financial results, etc. are filed electronically on the Listing Centre.

#### g. Unique Investor helpdesk:

Exclusively for investor servicing, the Company has set up unique investor Help Desk with multiple access modes as under:

Toll free no. (India)	: 1800 4250 999
Telephone nos.	: +91 40 6716 1500
Facsimile no.	: +91 40 67161791
Email	: <a href="mailto:rinfra@karvy.com">rinfra@karvy.com</a>

#### h. Designated email-id:

The Company has also designated email id: [rinfra.investor@relianceada.com](mailto:rinfra.investor@relianceada.com) exclusively for investor servicing.

#### i. SEBI Complaint Redressal System (SCORES):

The investors' complaints are also being processed through the centralized web base complaint redressal system. The salient features of SCORES, are availability of centralised data base of the complaints, uploading online action taken reports by the Company. Through SCORES the investors can view online, the actions taken and current status of the complaints.

### XII. Management Discussion and Analysis

A Management Discussion and Analysis forms part of this annual report and includes discussions on various matters specified under Regulation 34 of the Listing Regulations.

### XIII. Subsidiaries

All the subsidiary companies are managed by their respective Boards. Their Boards have the rights and obligations to manage such companies in the best interest of their stakeholders.



Corporate Governance Report

The Board monitors the performance of its subsidiary companies, inter alia, by the following means:

- a. The minutes of the meetings of the Boards of the subsidiary companies are periodically placed before the Board of directors of the Company.
- b. Financial statement, in particular the investments made by the subsidiary companies, are reviewed quarterly by the Audit Committee of the Company.
- c. A statement containing all significant transactions and arrangements entered into by the unlisted subsidiary companies is placed before the Audit Committee / Board.
- d. Quarterly review of Risk Management process is made by the Risk Management Committee / Audit Committee / Board.

The Company has formulated Policy for Determining Material subsidiaries which is put on Company's website having web link: <http://www.rinfra.com/documents/70197/76856/Policy-for-Determining-Material-Subsidiary.pdf>.

One of the Independent Directors is nominated to the Board of the subsidiaries incorporated in India as and when a subsidiary becomes an "unlisted material subsidiary" within the meaning of the above expression in accordance with Regulation 24 of the Listing Regulations. Keeping in view the above requirement, the Independent Directors of the Company have been appointed on the Boards of "unlisted material subsidiary" viz. Shri S S Kohli and Ms Ryna Karani on the Board of BSES Rajdhani Power Limited.

**XIV. Disclosures**

- a. There has been no non-compliance by the Company on any matter related to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority.

**b. Related Party Transactions:**

During the financial year 2016-17, no transactions of material nature have been entered into by the Company that may have a potential conflict with the interests of the Company. The policy on dealing with Related Party Transactions is placed on the Company's website at web link: <http://www.rinfra.com/documents/70197/76856/Policy-for-Related-Party-Transaction.pdf>.

**c. Accounting Treatment**

In preparation of the financial statements, the Company has followed the Accounting Standards as prescribed under Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) and under Section 133 of the Companies Act 2013, as applicable. However, in certain cases the Company has exercised the option available as per court orders which overrides the relevant provisions of Ind AS, which has been disclosed in notes 40, 42 and 49 in notes to standalone financial statement

and in notes 20, 22 and 29 in notes to abridged standalone financial statement and notes 27, 28 and 35 in notes to consolidated financial statement and in notes 20, 21 and 28 in notes to abridged consolidated financial statement.

**d. Code of Conduct**

The Company has adopted the code of conduct and ethics for directors and senior management. The Code has been circulated to all the members of the Board and senior management and the same has been put on the Company's website at web link: <http://www.rinfra.com/web/rinfra/Code-of-Conduct-for-Directors>. The Board members and senior management have affirmed their compliance with the code and a declaration signed by the Chief Executive Officer of the Company appointed in terms of Companies Act, 2013, is given below:

"It is hereby declared that the Company has obtained from all members of the Board and Senior Management personnel affirmation that they have complied with the Code of Conduct for Directors and Senior Management of the Company for the year 2016-17."

Sd/-

Lalit Jalan, Chief Executive Officer

**e. CEO and CFO certification**

Shri Lalit Jalan, Chief Executive Officer and Shri Sridhar Narasimhan, Chief Financial Officer of the Company have provided certification on financial reporting and internal controls to the Board as required under Regulation 17 of the Listing Regulations.

**f. Review of Directors' Responsibility Statement**

The Board in its report has confirmed that the annual accounts for the year ended March 31, 2017 have been prepared as per the applicable accounting standards and policies and that sufficient care has been taken for maintaining accounting records.

**XV. Policy on insider trading**

The Company has formulated the Reliance Infrastructure Limited – Code of Conduct for Prevention of Insider Trading and Code for Fair Disclosure of Unpublished Price Sensitive Information (Code) in accordance with the guidelines specified under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

The Company Secretary is the Compliance Officer under the Code responsible for complying with the procedures, monitoring adherence to the rules for the preservation of price sensitive information, pre-clearance of trades, monitoring of trades and implementation of the Code of Conduct under the overall supervision of the Board. The Company's Code, inter alia, prohibits purchase and/or sale of securities of the Company by an insider, while in possession of unpublished price sensitive information in relation to the Company and also during certain prohibited periods. The Company's Code is available on the Company's website.

### XVI. Disclosure with respect to demat suspense account / unclaimed suspense account

In terms of the disclosure requirement under Para F of Schedule V of Listing Regulations, the details of shareholders and the outstanding shares lying in the "Reliance Infrastructure Limited – Unclaimed Suspense Account" as on March 31, 2017 were as under:

Sr. No.	Particulars	No of shareholders	No of shares
(a)	Aggregate number of shareholders and the outstanding shares lying in the suspense account as on April 1, 2016	76,516	2,91,559
(b)	Number of undelivered folios and shares transferred to Unclaimed Suspense Account during the year 2016-17.	Nil	Nil
(c)	Number of shareholders who approached issuer for transfer of shares from suspense account during the year	177	1,069
(d)	Number of shareholders to whom shares were transferred from suspense account during the year	177	1,069
(e)	Aggregate number of shareholders and the outstanding shares lying in the suspense account as on March 31, 2017	76,339	2,90,490

The voting rights on the shares remain frozen till the rightful owners of such shares claim the shares.

### XVII. Compliance with discretionary requirements

#### a. The Board

The Company has a non executive Chairman and he is entitled to maintain Chairman's office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties.

#### b. Separate posts of Chairman and CEO

The Company maintains separate posts of Chairman and CEO. Shri Lalit Jalan is the CEO of the Company.

#### c. Audit Qualifications

There are no audit qualifications on the financial statements of the Company for the year 2016-17

#### d. Reporting of Internal Auditor

The internal auditor reports directly to the Audit Committee of the Company.

### XVIII. General shareholder information

The mandatory and various additional information of interest to investors are voluntarily furnished in a separate section on investor information in this annual report.

### XIX. Auditor's certificate on Corporate Governance

The Auditors' certificate on compliance of Schedule V: Annual Report of Regulation 34(3) and 53(f) relating to Corporate Governance is published elsewhere in this report.

### XX. Review of governance practices

We have in this report attempted to present the governance practices and principles being followed at Reliance Infrastructure Limited, as evolved over the period, and as best suited to the needs of our business and stakeholders.

Our disclosures and governance practices are continually revisited, reviewed and revised to respond to the dynamic needs of our business and ensure that our standards are at par with the globally recognised practices of governance, so as to meet the expectations of all our stakeholders.

**Auditors' Certificate Regarding Compliance of Conditions of Corporate Governance**

To

The Members of Reliance Infrastructure Limited

We have examined the compliance of conditions of Corporate Governance by Reliance Infrastructure Limited ('the Company'), for the year ended on March 31, 2017, as stipulated in Regulation 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India and 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 regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the year ended March 31, 2017.

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.

**For Pathak H. D. & Associates**

Chartered Accountants  
Firm Registration No.  
107783W

**Vishal D. Shah**

Partner  
Membership No. 119303

Place: Mumbai

Date: April 15, 2017

**For Haribhakti & Co. LLP**

Chartered Accountants  
Firm Registration No.  
103523W

**Bhavik L. Shah**

Partner  
Membership No. 122071

Place: Mumbai

Date: April 15, 2017

## Investor Information

### Important Points

#### Hold securities in dematerialised form

Investors should hold their securities in dematerialised form as the same is beneficial due to following:-

- A safe and convenient way to hold securities;
- Elimination of risks associated with physical certificates such as bad delivery, fake securities, delays, thefts etc;
- Immediate transfer of securities;
- No stamp duty on electronic transfer of securities;
- Reduction in transaction cost;
- Reduction in paperwork involved in transfer of securities;
- No odd lot problem, even one share can be traded;
- Availability of nomination facility;
- Ease in effecting change of address as change with Depository Participants gets registered with all companies in which investor holds securities electronically;
- Easier transmission of securities as the same done by Depository Participants for all securities in demat account; and
- Automatic credit into demat account of shares, arising out of bonus/split/consolidation/merger, etc.

#### Hold securities in consolidated form

Investors holding shares in multiple folios are requested to consolidate their holdings in single folio. Holding of securities in one folio enables shareholders to monitor the same with ease.

#### Furnish bank details and get dividend directly credited in bank account

Investors should avail the Electronic Clearing Services for payment of dividend as the same reduces risk attached to physical dividend warrants. Some of the advantages of payment through electronic credit services are as under:

- Avoidance of frequent visits to banks for depositing the physical instruments;
- Prompt credit to the bank account of the investor through electronic clearing;
- Fraudulent encashment of warrants is avoided;
- Exposure to delays/loss in postal service avoided;
- As there can be no loss in transit of warrants, issue of duplicate warrants is avoided; and
- Printing of bank account numbers, names and addresses of bank branches on dividend warrants provide protection against fraudulent encashment of dividend warrants. Members are requested to provide the same to the Company's Registrar and Transfer Agents (RTA) for incorporation on their dividend warrants.

#### Register for SMS alert facility

Investor should register with Depository Participants for the SMS alert facility. Both National Securities Depository Limited and Central Depository Services (India) Limited alert investors through SMS of the debits and credits in their demat account.

### Submit nomination form and avoid transmission hassle

Nomination helps nominees to get the shares transmitted in their favour without any hassles. Investors should get the nomination registered with the Company in case of physical holding and with their Depository Participants in case of shares held in dematerialised form.

Nomination Form may be downloaded from the Company's website, [www.rinfra.com](http://www.rinfra.com) under the section "Investor Relations".

However, if shares are held in dematerialised form, nomination has to be registered with the concerned Depository Participants directly, as per the form prescribed by the Depository Participants.

### Deal only with SEBI registered intermediaries

Investors should deal with SEBI registered intermediaries so that in case of deficiency of services, investor may take up the matter with SEBI.

### Corporate benefits in electronic form

Investor holding shares in physical form should opt for corporate benefits like split/bonus etc. in electronic form by providing their demat account details to Company's RTA.

### Register e-mail address

Investors should register their email address with the Company/ Depository Participants. This will help them in receiving all communication from the Company electronically at their email address. This also avoids delay in receiving communications from the Company.

Prescribed form for registration may please be downloaded from the Company's website.

### Course of action in case of non-receipt of dividend, revalidation of dividend warrant, etc.

Shareholders may write to the Company's RTA, furnishing the particulars of the dividend not received, quoting the folio number/DP Id and Client Id particulars (in case of dematerialised shares). On expiry of the validity period, if the dividend warrant still appears as unpaid on the records of the Company, duplicate warrant will be issued. The Company's RTA would request the concerned shareholder to execute an indemnity bond before issuing the duplicate warrant. However, duplicate warrants will not be issued against those shares wherein a 'stop transfer indicator' has been instituted either by virtue of a complaint or by law, unless the procedure for releasing the same has been completed. Shareholders are requested to note that they have to wait till the expiry of the validity of the original warrant before a fresh dividend warrant/DD/payorder is issued to them, since the dividend warrants are payable at par at several centers across the country and banks do not accept 'stop payment' instructions on the said warrants.

### Permanent Account Number (PAN) for transfer of shares in physical form mandatory

SEBI has stated that for securities market transactions and off-market transactions involving transfer of shares in physical form of listed companies, it shall be mandatory for the transferee(s) to furnish copy of PAN card to the Company's RTA for registration of such transfer of shares.

## Investor Information

### Facility for a Basic Services Demat Account (BSDA)

SEBI has vide Circular CIR/MRD/DP/22/2012 dated August 27, 2012 stated that all the depository participants shall make available a BSDA to shareholders who have only one demat account with (a) No Annual Maintenance charges if the value of holding is up to ₹ 50,000 and (b) Annual Maintenance charges not exceeding ₹ 100 for value of holding from ₹ 50,001 to ₹ 2,00,000.

### GENERAL SHAREHOLDERS INFORMATION

#### Annual General Meeting

The 88<sup>th</sup> Annual General Meeting (AGM) of the Company will be held on Tuesday, September 26, 2017 at 12:00 noon or soon after the conclusion of the Annual General Meeting of Reliance Capital Limited convened on the same day, whichever is later, at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020.

#### E-voting

The Members can cast their votes online from 10.00 a.m. on September 22, 2017 up to 5.00 p.m. on September 25, 2017.

#### Financial year of the Company

The financial year of the Company is from April 1 to March 31 every year.

#### Website

The Company's website [www.rinfra.com](http://www.rinfra.com) contains a dedicated section called "Investor Relations". It contains comprehensive data base of information of interest to our investors including the financial results, annual reports, dividend declared, any price sensitive information disclosed to the regulatory authorities from time to time, business activities and the services rendered/facilities extended to our investors.

#### Dedicated email id for investors

For the convenience of our investors, the Company has designated an email id for investors i.e. [rinfra.investor@relianceada.com](mailto:rinfra.investor@relianceada.com).

#### Registrar and Transfer Agents (RTA)

Karvy Computershare Private Limited  
(Unit: Reliance Infrastructure Limited)  
Karvy Selenium Tower – B  
Plot No. 31 & 32, Survey No. 116/22, 115/24, 115/25  
Financial District, Nanakramguda  
Hyderabad 500 032.  
Website: [www.karvy.com](http://www.karvy.com)  
Tel : +91 40 6716 1500  
Fax : +91 40 6716 1791  
Toll Free No. (India) : 1800 4250 999  
Email : [rinfra@karvy.com](mailto:rinfra@karvy.com)

Shareholders/Investors are requested to forward share transfer documents, dematerialisation requests through their Depository Participant (DP) and other related correspondence directly to the Company's RTA at the above address for speedy response.

#### Dividend announcements

The Board of Directors of the Company has recommended a dividend of ₹ 9.00 [90 per cent] per equity share of the Company for the financial year ended March 31, 2017, subject

to approval by the shareholders at the ensuing Annual General Meeting (AGM). The dividend, if declared, will be paid after the Meeting.

#### Book closure dates for the purpose of dividend and AGM

Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 16, 2017 to Tuesday, September 26, 2017 (both days inclusive) for the purpose of AGM as well as to determine the entitlement of shareholders to receive the dividend if declared, for the year ended March 31, 2017.

#### Dividend Remittance

Dividend on Equity Shares as recommended by the Directors for the financial year ended March 31, 2017, when declared at the AGM will be paid to:

- all those equity shareholders, whose names appear in the Register of Members as on September 15, 2017, and
- those whose names appear as beneficial owners as on September 15, 2017, as furnished by the National Securities Depository Limited and Central Depository Services (India) Limited for the purpose.

#### Modes of payment of dividend

The dividend is paid under two modes viz:

- Credit to the Bank account via Electronic Clearing Service
    - ECS (Electronic Clearing Service)
    - NECS (National Electronic Clearing Services)
    - NEFT (National Electronic Funds Transfer)
    - RTGS (Real Time Gross Settlement)
    - Direct Credit
  - Dispatch of physical dividend warrant
- Shareholders are requested to avail the Electronic Clearing Service for payment of dividend as the same is immensely beneficial to them and considerably reduces risk attached to physical dividend warrants.

#### Unclaimed dividend

The provisions of Sections 124 and 125 of the Companies Act, 2013 on unclaimed dividend and Investor Education and Protection Fund (IEPF) under the Act and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (IEPF Rules) have come into force with effect from September 7, 2016.

The dividend for the year 1995-96 to 2008-09 remaining unclaimed for seven years from the dates of declaration have been transferred to IEPF.

During the year the Company has also transferred the unclaimed portion of the sale proceeds of fractional shares arising out of issue of Equity shares to the shareholders of Reliance Energy Ventures Limited (REVL) consequent upon the Scheme of amalgamation between REVL and the Company effective August 7, 2006 to IEPF.

The dividend and other benefits, if any, for the following years remaining unclaimed for seven years from the date of declaration

# Reliance Infrastructure Limited

## Investor Information

are required to be transferred by the Company to IEPF and the various dates for transfer of such amount are as under:

Financial year	Dividend per share (₹)	Date of declaration	Due for transfer on
2009-10	7.10	May 15, 2010	June 21, 2017
2010-11	7.20	September 27, 2011	November 03, 2018
2011-12	7.30	September 4, 2012	October 12, 2019
2012-13	7.40	August 27, 2013	October 3, 2020
2013-14	7.50	September 30, 2014	November 6, 2021
2014-15	8.00	September 30, 2015	November 6, 2022
2015-16	8.50	September 27, 2016	November 4, 2023

Members who have so far not encashed dividend warrants for the aforesaid years are requested to approach the Company's Registrar and Transfer Agents, Karvy Computershare Private Limited immediately. Members are requested to note that the Company has uploaded the details of unpaid and unclaimed dividend and shares due to be transferred on the website of the Company [www.rinfra.com](http://www.rinfra.com).

Members are requested to note that no claims shall lie against the Company in respect of their shares or the amounts so transferred to IEPF and no payment shall be made in respect of any such claim. Any shareholder whose shares and unclaimed dividends has been transferred to the Fund, may claim the dividend and aforesaid shares transferred to IEPF by making an application in Form IEPF 5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) along with the applicable fee.

Pursuant to Section 125 of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (the "IEPF Rules"), the Company has transferred, the unpaid or unclaimed dividend for the financial year 2008-09 to the Investor Education and Protection Fund (IEPF) established by the Central Government. The unpaid or unclaimed dividend for the financial year 2009-10 would be transferred to IEPF within the stipulated period during the current financial year. The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 27, 2016 (date of last Annual General Meeting) on the website of the Company ([www.rinfra.com](http://www.rinfra.com)), as also on the website of the Ministry of Corporate Affairs.

Pursuant to provisions of the IEPF Rules which have come into effect from September 7, 2016, the Company would be transferring the shares on which dividend has not been claimed or encashed for last seven consecutive years or more to the account of the IEPF.

The Company has individually communicated to the concerned shareholders whose shares are liable to be transferred to the IEPF, to enable them to take appropriate action for claiming the unclaimed dividends and shares, if any, by due date as may be notified by the IEPF Authority, failing which the Company would transfer the aforesaid shares to the IEPF as per the procedure set out in the Rules. The details of such shareholders and shares due for transfer are uploaded on the website of the Company ([www.rinfra.com](http://www.rinfra.com)).

Shareholders may note that the unclaimed dividend/s and corresponding share/s transferred to the IEPF including all benefits accruing on such shares, if any, can be claimed from the IEPF Authority after following the procedure as prescribed in the Rules.

## Shareholding Pattern

Sl. No.	Category	As on 31.03.2017		As on 31.03.2016	
		Number of Shares	%	Number of Shares	%
(A)	Shareholding of Promoter and Promoter Group				
	(i) Indian	<b>*12,71,77,036</b>	<b>*48.36</b>	12,71,77,036	*48.36
	(ii) Foreign	<b>0</b>	<b>0.00</b>	0	0.00
	<b>Sub Total (A)</b>	<b>12,71,77,036</b>	<b>48.36</b>	12,71,77,036	48.36
(B)	Public shareholding				
	(i) Institutions:				
	Insurance Companies	<b>3,34,65,606</b>	<b>12.73</b>	4,06,56,286	15.46
	Foreign Institutional Investors (FII) / Foreign Portfolio Investors (FPI)	<b>5,75,39,067</b>	<b>21.88</b>	5,28,81,380	20.10
	Mutual Funds	<b>47,73,660</b>	<b>1.82</b>	2,83,788	0.11
	Financial Institutions/Banks	<b>11,43,905</b>	<b>0.43</b>	11,06,346	0.42
	Others	<b>1,31,357</b>	<b>0.05</b>	1,31,317	0.05
	(ii) Non-institutions	<b>3,15,65,214</b>	<b>12.00</b>	3,29,95,845	12.55
	<b>Sub Total (B)</b>	<b>12,86,18,809</b>	<b>48.91</b>	12,80,54,962	48.69
(C)	Shares held by Custodian and against which Depository Receipts have been issued -	<b>67,44,155</b>	<b>2.56</b>	73,08,002	2.78
	<b>Sub Total (C)</b>				
(D)	ESOS Trust	<b>4,50,000</b>	<b>0.17</b>	4,50,000	0.17
	<b>Sub Total (D)</b>				
	<b>Grand Total (A) + (B) + (C) + (D)</b>	<b>26,29,90,000</b>	<b>100.00</b>	26,29,90,000	100.00

\* Shares held by ESOS Trust have been shown as Non-Promoter Non-Public as per Listing Regulations w.e.f. December 1, 2015.



**Investor Information**
**Distribution of shareholding**

Number of shares	Number of Shareholders as on 31.03.2017		Total shares as on 31.03.2017		Number of Shareholders as on 31.03.2016		Total shares as on 31.03.2016	
	Number	%	Number	%	Number	%	Number	%
1 – 500	10,77,374	99.43	1,97,33,030	7.50	11,21,963	99.43	2,08,20,399	7.92
501 – 5,000	5,596	0.52	67,72,505	2.58	5,876	0.52	70,97,431	2.70
5,001 – 1,00,000	438	0.04	90,43,948	3.44	460	0.04	95,41,625	3.62
1,00,001 and above	130	0.01	22,74,40,517	86.48	103	0.01	22,55,30,545	85.76
<b>Total</b>	<b>10,83,538</b>	<b>100.00</b>	<b>26,29,90,000</b>	<b>100.00</b>	<b>11,28,402</b>	<b>100.00</b>	<b>26,29,90,000</b>	<b>100.00</b>

**Dematerialization of shares and liquidity**

The Company was among the first companies to admit its shares to the depository system of National Securities Depository Limited (NSDL) for dematerialization of shares. The International Securities Identification Number (ISIN) allotted to the Company is INE036A01016. The Company was the first to admit its shares and also the first to go 'live' on to the depository system of Central Depository Services (India) Limited (CDSL) for dematerialization of shares. The equity shares of the Company are compulsorily traded in dematerialized form as mandated by the Securities and Exchange Board of India (SEBI).

**Status of dematerialization of Shares**

As on March 31, 2017, 98.30 per cent of the Company's equity shares are held in dematerialised form

**Share transfer system**

Shareholders/investors are requested to send share certificate(s) along with the share transfer deed in the prescribed form SH-4 duly filled in, executed and affixed with the share transfer stamp(s), to the Company's RTA. If the transfer documents are in order, the transfer of shares is registered within 7 days of receipt of transfer documents by the Company's RTA.

**Odd lot shares scheme for small shareholders**

In view of the difficulty experienced by the shareholders of the Company in selling their odd lot shares in the stock market and to mitigate the hardships caused to them, the Reliance Group has framed a scheme for the purchase and disposal of odd lot equity shares at the prevailing market price. The scheme has been launched and is available to shareholders of the Company, who hold up to 49 shares in physical form. The shareholders who wish to avail the above facility can contact the Registrar and Transfer Agent of the Company.

**Investors' grievances attended**

During the year ended 2016-17, the Company received 34 grievances (Previous year 30 grievances) from the Securities and Exchange Board of India, Stock Exchanges and directly from the Investors. The above grievances related to non-receipt of dividend warrants and share certificates. There were no complaints pending as on March 31, 2017. Investors' queries / grievances are normally attended within a period of 3 days from the date of receipt thereof, except in cases involving external agencies or compliance with longer procedural requirements specified by the authorities concerned. The queries and grievances received during 2016-17 correspond to 0.003 per cent (Previous year 0.002 per cent) of the number of members.

**Shareholder base:**

The shareholder base was 10,83,538 as of March 31, 2017 and previous year (11,28,402).

**Legal proceedings**

There are certain pending cases relating to disputes over title to shares, in which the Company has been made a party. These cases are however, not material in nature.

# Reliance Infrastructure Limited

## Investor Information

### Equity History (For the past 10 years)

Sr. No	Dates	Particulars	Price per equity Share	No of Shares	Cumulative Total No of Shares
1	01.04.2007	Outstanding Equity Shares			22,85,30,308
2	15.10.2007	Allotment of shares on conversion of FCCBs <sup>1</sup>	1006.92	+ 79,99,954	23,65,30,262
3	01.04.2008	Extinguishment of shares consequent to Buy-back <sup>2 &amp; 3</sup>	N.A	- 1,12,60,000	22,52,70,262
4	31.03.2010	Allotment of shares on conversion of warrants <sup>4</sup>	928.89	+1,96,00,000	24,48,70,262
5	07.01.2011	Allotment of shares on conversion of warrants <sup>5</sup>	928.89	+ 2,25,50,000	26,74,20,262
6	21.04.2011 to 13.02.2012	Extinguishment of shares consequent to Buy-Back <sup>6</sup>	N.A	- 44,30,262	26,29,90,000
	31.03.2017	Total Number of outstanding equity shares			26,29,90,000

#### Notes:

- Equity Shares were allotted on conversion of zero coupon FCCBs. These FCCBs were converted into Equity Shares at a pre-determined price of ₹ 1,006.92 from October 15, 2007 to February 4, 2008 at a pre-determined exchange rate of US\$1 = ₹ 45.24. The entire FCCBs were converted into equity shares.
- Pursuant to the approval of the Board of Directors, the Company announced buy-back of its shares from March 5, 2008 and bought-back 87,60,000 equity shares up to February 6, 2009.
- Pursuant to the approval accorded by the shareholders, the Company announced buy-back of its shares from February 25, 2009 and bought-back 25,00,000 equity shares up to April 16, 2009.
- Warrants converted into Equity shares at a price of ₹ 928.89 per share. The Company had on July 9, 2009 allotted 4,29,00,000 warrants of ₹ 928.89 (including a premium of ₹ 918.89) each on preferential basis to one of the promoter companies, Reliance Project Ventures and Management Private Limited (RPVMPL) (Formerly Known as AAA Project Ventures Private Limited). The warrants were convertible into equity shares of ₹ 10 each at a premium of ₹ 918.89 per equity share on or before January 8, 2011. Out of 4,29,00,000 warrants, the warrant holder exercised its option to convert 1,96,00,000 warrants and it was allotted 1,96,00,000 equity shares of ₹ 10 each at a price of ₹ 928.89 (including a premium of ₹ 918.89) on March 31, 2010. Further, on January 7, 2011, RPVMPL exercised its option to convert 2,25,50,000 warrants and it was allotted 2,25,50,000 equity shares of ₹ 10 each at a premium of ₹ 918.89 per equity share. The balance 7,50,000 warrants have been cancelled and the amount of ₹ 17,41,66,875 paid thereon has been forfeited by the Company. As on March 31, 2011, there were no warrants remaining outstanding.
- Pursuant to the resolution passed by the Board of Directors on February 14, 2011, the Company announced buy-back of its shares from April 11, 2011 and bought-back 44,30,262 equity shares from April 21, 2011 to February 13, 2012.

#### Stock Price and Volume

Month	BSE Limited			National Stock Exchange of India Limited			GDRs	
	High	Low	Volume	High	Low	Volume	High	Low
	₹	₹	Nos.	₹	₹	Nos.	US \$	US \$
April' 2016	584.80	523.00	79,27,999	584.85	522.60	5,21,66,614	26.04	24.17
May' 2016	555.25	490.55	84,49,510	555.40	490.10	5,83,48,265	24.69	22.09
June' 2016	559.45	488.75	1,11,92,678	560.40	488.15	5,53,63,789	24.69	22.36
July' 2016	610.50	542.15	76,30,366	611.00	542.00	5,03,83,821	27.19	24.24
August' 2016	613.00	561.30	84,71,319	613.00	560.65	5,26,95,276	26.98	25.62
September' 2016	635.35	534.75	1,08,51,481	635.70	533.75	6,87,74,413	27.89	24.29
October' 2016	606.25	536.50	72,76,930	606.40	535.80	4,39,70,682	26.93	24.34
November' 2016	547.40	426.45	71,66,696	547.40	426.65	4,12,13,102	24.20	19.80
December' 2016	512.00	439.00	66,01,145	512.70	438.60	3,88,84,098	22.34	19.84
January' 2017	533.50	463.40	47,72,005	533.70	463.10	2,98,06,500	23.27	21.00
February' 2017	582.00	512.30	59,72,358	581.95	512.30	3,78,15,296	25.52	23.41
March' 2017	598.70	547.55	82,46,314	598.40	546.95	4,39,68,898	27.25	24.85

GDRs were issued on March 8, 1996 and each GDR represents 3 equity shares. Issue price per GDR was US\$ 14.40. US\$ = 64.8500 as on March 31, 2017

## Investor Information

### Stock Exchange listings

The Company's equity shares are actively traded on BSE and NSE.

### Listings on Stock Exchanges

#### BSE Limited (BSE)

Phiroze Jeejeebhoy Towers  
Dalal Street, Fort  
Mumbai 400001  
Website : [www.bseindia.com](http://www.bseindia.com)

#### National Stock Exchange of India Limited (NSE)

Exchange Plaza  
Plot No C /1, G Block  
Bandra-Kurla Complex  
Bandra (East), Mumbai 400 051  
Website : [www.nseindia.com](http://www.nseindia.com)

#### 1. Depository

The Bank of New York Mellon Corporation, 101 Barclay Street, 22<sup>nd</sup> Floor New York NY 10286 USA

#### 2. Domestic Custodian

ICICI Bank Limited, Securities Market Services  
Empire Complex, F7/E7 1<sup>st</sup> Floor  
414 Senapati Bapat Marg, Lower Parel,  
Mumbai 400 013

#### Security Codes of GDRs

	Master Rule 144A GDRs	Master Regulation S GDRs
CUSIP	75945E109	Y09789119
ISIN	US75945E1091	USY097891193
Common Code	6099853	6099853
BSE		500390
NSE		RELINFRA
ISIN for equity shares		INE036A01016

#### An Index Scrip:

Equity Shares of the Company are included in the indices viz. BSE-100, BSE-200, BSE-500, BSE-Power, S&P BSE GREENEX, BSE Dollex, CNX Infrastructure, CNX Service Sector, Nifty Midcap 50

#### Global Depository Receipts (GDRs)

London Stock Exchange (LSE), 10, Paternoster Square  
London EC4M 7 LS, United Kingdom,  
Website : [www.londonstockexchange.com](http://www.londonstockexchange.com)

#### Note:

The GDRs of the Company are traded on the electronic screen based quotation system, the SEAQ (Securities Exchange Automated Quotation) International, on the portal system of the NASDAQ of the U.S.A. and also over the counter at London, New York and Hong Kong.

#### Outstanding GDRs of the Company, conversion date and likely impact on equity

Outstanding GDRs as on March 31, 2017 represent 67,44,155 equity shares constituting 2.56 per cent of the paid-up equity share capital of the Company.

### Debt Securities

The Debt Securities of the Company are listed on the Wholesale Debt Market (WDM) Segment of BSE and NSE.

#### Debenture Trustees

Axis Trustee Services Limited Axis House C-2, Wadia International Centre Pandurang Budhkar Marg, Worli, Mumbai 400 025 Website: <a href="http://www.axistrustee.com">www.axistrustee.com</a>	IDBI Trusteeship Services Limited Asian Building, Ground Floor 17 R Kamani Marg Ballard Estate Mumbai 400 001 Website: <a href="http://www.idbitrustee.com">www.idbitrustee.com</a>
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#### Payment of Listing Fees and Depository Fees

Annual Listing fees for the year 2017-18 have been paid by the Company to the stock exchanges.

#### Share Price Performance in comparison with broad based indices – BSE Sensex and NSE Nifty

Period	RInfra (%)	Sensex (%)	Nifty (%)
FY 2016-17	6.57	16.88	18.55
2 years	31.09	5.95	8.04
3 years	31.13	32.32	36.84

#### Commodity price risks or foreign exchange risk and hedging activities

The Company does not have any exposure to commodity price risks. The Company has exposure in foreign exchange transactions and hence the Company hedges the transactions and the same is appropriately disclosed in note 54(B) in notes to standalone financial statement.

#### Key Financial Reporting Dates for the Financial Year 2017-18

Unaudited results for the First Quarter ending June 30, 2017	: On or before August 14, 2017
Unaudited results for the Second Quarter and half year ending September 30, 2017	: On or before November 14, 2017
Unaudited results for the Third Quarter ending December 31, 2017	: On or before February 14, 2018
Audited results for the Financial Year 2017-18	: On or before May 30, 2018

#### Depository services

For guidance on depository services, shareholders may write to the Registrar and Transfer Agent (RTA) of the Company or National Securities Depository Limited, Trade World, A Wing, 4<sup>th</sup> and 5<sup>th</sup> Floors, Kamala Mills Compound, Lower Parel, Mumbai 400 013, website: [www.nsdl.co.in](http://www.nsdl.co.in) or Central Depository Services (India) Limited, Phiroze Jeejeebhoy Towers, 16<sup>th</sup> Floor, Dalal Street, Mumbai, 400 001 website: [www.cdslindia.com](http://www.cdslindia.com)

#### Communication to members

The quarterly financial results of the Company in respect of Quarters I and II of the financial year 2016-17 were announced within the extended period allowed by SEBI in the wake of the introduction of the Ind-AS -2015 Rules. In respect of Quarter III, the financial results were declared within 45 days of the

# Reliance Infrastructure Limited

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## Investor Information

end of the quarter. The Audited Accounts of the Company were announced within 60 days from the close of the financial year as per the Listing Regulations. The Company's media releases and details of significant developments are also made available on the Company's website: [www.rinfra.com](http://www.rinfra.com). In addition, these are published in leading newspapers in english and marathi.

### Reconciliation of share capital audit

The Securities and Exchange Board of India has directed that all issuer companies shall submit a report reconciling the total shares held in both the depositories viz. NSDL and CDSL and in physical form with the total issued/paid up capital. The said certificate, duly certified by a qualified Chartered Accountant is submitted to the stock exchanges where the securities of the Company are listed within 30 days of the end of each quarter and the certificate is also placed before the Board of Directors of the Company.

### Investor correspondence may be addressed to the Registrar and Transfer Agent of the Company

Shareholders/Investors are requested to forward documents related to share transfer, dematerialisation requests (through their respective Depository Participant) and other related correspondences directly to Karvy Computershare Private Limited at the below mentioned address for speedy response:

Karvy Computershare Private Limited  
(Unit: Reliance Infrastructure Limited)  
Karvy Selenium Tower – B  
Plot No. 31 & 32, Survey No. 116/22, 115/24, 115/25  
Financial District, Nanakramguda  
Hyderabad 500 032.

**Shareholders/Investors may send the above correspondence at the following address:**

**Correspondence on investor services may be addressed to:**

The Company Secretary  
Reliance Infrastructure Limited  
H Block, 1<sup>st</sup> Floor, Dhirubhai Ambani Knowledge City  
Navi Mumbai 400 710  
Telephone : +91 22 3303 1000  
Fax : +91 22 3303 3664  
Email : [rinfra.investor@relianceada.com](mailto:rinfra.investor@relianceada.com)

### Plant Locations

Dahanu Power Plant: BSES Nagar, Dahanu Road 401 602, Thane District, Maharashtra

Samalkot Power Plant: Industrial Devp. Area Pedapuram Samalkot 533 440 Semandhara

Goa Power Plant: Opp. Sancoale Industrial Estate, Zuarinagar 403 726 Sancoale Mormugao, Goa

Wind Farm: Near Aimangala 577, 558 Chitradurga District Karnataka.

**Independent Auditors' Report on Standalone Ind AS Financial Statements**

To the Members of Reliance Infrastructure Limited

**Report on the Standalone Ind AS Financial Statements**

1. We have audited the accompanying standalone financial statements of Reliance Infrastructure Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, 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 (hereinafter referred to as "the Standalone Ind AS financial statements").

**Management's Responsibility for the Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of state of affairs (financial position), profit (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) prescribed 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 of 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

3. Our responsibility is to express an opinion on these Standalone Ind AS 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 of the Standalone Ind AS financial statements 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 the Standalone Ind AS 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 Standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS financial statements, whether due

to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Ind AS 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 Standalone Ind AS financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS financial statements.

**Opinion**

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS 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 the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2017, and its profits (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

**Emphasis of Matter**

We draw attention to the following matters in the Notes to the Standalone Ind AS financial statements:

9. We draw attention to Note No. 40 of the Standalone Ind AS financial statement regarding the Scheme of Amalgamation ('the Scheme') between Reliance Infraprojects Limited (wholly owned subsidiary of the Company) and the Company sanctioned by the Hon'ble High Court of Judicature at Bombay vide its order dated March 30, 2011, wherein the Company, as determined by the Board of Directors, is permitted to adjust foreign exchange / derivative / hedging losses / gains debited/ credited to the Statement of Profit and Loss by a corresponding withdrawal from or credit to General Reserve which overrides the relevant provisions of IND AS - 1 "Presentation of financial statements". The net gain on account of derivative instruments / forward contracts of ₹ 27.34 Crore for the year ended March 31, 2017 has been credited to Statement of Profit and Loss and an equivalent amount has been transferred to General Reserve. Similarly foreign exchange loss of ₹ 272.36 Crore (net off of foreign exchange loss of ₹ Nil attributable to finance cost) for the year ended March 31, 2017 has been debited to Statement of Profit and Loss and an equivalent amount has been withdrawn from General Reserve in terms of the Scheme. Had such transfer / withdrawal not been done, profit before tax for the year ended March 31, 2017 would have been lower by ₹ 245.02 Crore and General Reserve would have been higher by an equivalent amount.
10. We draw attention to Note no. 42 of the Standalone Ind AS financials statement, wherein pursuant to the Scheme of amalgamation of Reliance Cement Works Private Limited with Western Region Transmission (Maharashtra) Private Limited (WRTM), wholly owned subsidiary of the Company, which was subsequently amalgamated with the

Company w.e.f. April 1, 2013, WRTM or its successors is permitted to offset any extra ordinary / exceptional items, as determined by the Board of Directors, debited in the Statement of Profit and Loss by a corresponding withdrawal from General Reserve, which override the relevant provisions of IND AS – 1 "Presentation of financial statements". The Board of Directors of the Company in terms of the aforesaid scheme, determined an amount of ₹ 558.58 Crore for the year ended March 31, 2017 as Exceptional items being write off of EPC Advances as bad debts, which have been debited in the Statement of Profit and Loss and an equivalent amount has been withdrawn from General Reserve. Had such withdrawal not been done, profit before tax for the year ended March 31, 2017 would have been lower by ₹ 558.58 Crore and General Reserve would have been higher by an equivalent amount.

11. We draw attention to Note 39 of the Standalone Ind AS financial Statement regarding termination of Concession Agreement by Delhi Airport Metro Express Private Limited (DAMEPL), a SPV of the Company with Delhi Metro Rail Corporation (DMRC) for reasons stated therein. The matter is sub-judice and the ultimate recovery of the investment of the Company of ₹ 2,339.95 Crore in DAMEPL is dependent upon the outcome of the arbitration proceedings. The net amount outstanding in books of account as on March 31, 2017 is ₹ 726.20 Crore.

**Our opinion is not modified in respect of above matters.**

### Other Matters

12. The comparative financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these Standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us whose report for the year ended March 31, 2016 and March 31, 2015 dated May 28, 2016 and May 27, 2015 respectively expressed an unmodified opinion on those Standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of above 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 in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
14. As required by Section 143(3) of the Act, we report that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - 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;
  - The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

- In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014; as referred to in paragraph 9 and 10 above, the Company has exercised the option available as per court orders which overrides the relevant provisions of IND AS – 1 "Presentation of financial statements".
- On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act;
- With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";
- 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, in our opinion and to the best of our information and according to the explanations given to us:
  - The Company has disclosed the impact of pending litigations as at March 31, 2017 on its financial position in its Standalone Ind AS financial statements. – Refer Note 34(a) on Contingent Liabilities to the Standalone Ind AS financial statements;
  - The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts – Refer Note 54 (B) to the Standalone Ind AS financial statements;
  - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2017;
  - The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016 and is in accordance with the books of account maintained by the Company – Refer Note 58 to the Standalone Ind AS financial statements.

**For Haribhakti & Co. LLP**  
Chartered Accountants  
Firm Regn. No: 103523W/  
W100048

**Bhavik L. Shah**  
Partner  
Membership No.122071

Place : Mumbai  
Date : April 15, 2017

**For Pathak H. D. & Associates**  
Chartered Accountants  
Firm Regn. No: 107783W

**Vishal D. Shah**  
Partner  
Membership No. 119303

Place : Mumbai  
Date : April 15, 2017



**Annexure A to Auditors' Report**

Referred to in our Auditors' Report of even date to the members of Reliance Infrastructure Limited on the Standalone Ind AS financial statements for the year ended March 31, 2017

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) As informed to us, the fixed assets are physically verified by the Management according to a phased program designed to cover all the items 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. Pursuant to the program, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed. However, we are informed that distribution system being underground is not physically verifiable.
- (c) According to the information and explanations given to us and based on the examination of the registered sale deed / transfer deed / conveyance deed / possession letter / allotment letter and other relevant records evidencing title/possession provided to us, we report that, the title deeds of all the immovable properties comprising of land and buildings other than self-constructed properties recorded as Property, Plant and Equipment, which are freehold, are held in the name of the Company as at the balance sheet date, except the following:

Particulars of Land and Building	Total number of cases	Gross Block as on March 31, 2017 (₹ Crore)	Net Block as on March 31, 2017 (₹ Crore)	Remarks
Freehold land at various locations	2	18.60	18.60	The title deeds are in the names of erstwhile Companies that merged with the Company under Section 391 to 394 of the Companies Act, 1956 pursuant to Schemes of Amalgamation as approved by the Hon'ble High Courts.
Freehold land at Hyderabad	1	4.16	4.16	Title deeds are not available with company.

In respect of immovable properties comprising of land and buildings that have been taken on lease and disclosed as Property, Plant and Equipment in the standalone Ind AS financial statements, the lease agreements or other relevant records are in the name of the Company, except the following:

Particulars of Land and Building	Total number of cases	Gross Block as on March 31, 2017 (₹ Crore)	Net Block as on March 31, 2017 (₹ Crore)	Remarks
Leasehold land at various locations	3	0.35	0.30	The lease agreements are in the names of erstwhile Companies that merged with the Company under Section 391 to 394 of the Companies Act, 1956 pursuant to Schemes of Amalgamation as approved by the Hon'ble High Courts.
Leasehold land at various locations	4	4.28	0.59	Lease agreements are not available with company.

The above reporting does not cover assets taken on Finance Lease and included as Property, Plant and Equipment as per Appendix C to Ind AS 17 "Leases".

- (ii) The inventory (excluding stocks with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable. As informed, the discrepancies noticed on physical verification of inventory as compared to book records were not material.
- (iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to any company, firm, limited liability partnerships or other party covered in the register maintained under Section 189 of the Act. Accordingly, the provisions stated in paragraph 3(iii)(a), (b) & (c) of the Order are not applicable.
- (iv) Based on information and explanation given to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of Section 185 and 186(1) of the Act. Further, as the Company is engaged in the business of providing infrastructural facilities, the provisions of Section 186[except for sub-section(1)] are not applicable to it.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) We have broadly reviewed the books of account maintained by the Company in respect of products where the maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act and the rules

# Reliance Infrastructure Limited

## Annexure A to Auditors' Report

Referred to in our Auditors' Report of even date to the members of Reliance Infrastructure Limited on the Standalone Ind AS financial statements for the year ended March 31, 2017

framed there under and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues as applicable except in case of Taxes on Consumption and sales of Electricity where there have been delays in depositing the dues.
- (b) According to the information and explanations given to us, undisputed dues in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, which were outstanding, at the year end for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of the dues	Amount (₹ Crore)	Period to which the amount relates	Due Date	Date of Payment
Maharashtra Electricity Duty Act, 2016	Taxes on Consumption and sale of Electricity	104.78	For the month of August, 2016	30/09/2016	Not yet paid

- (c) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income-tax, sales-tax, service-tax, customs duty, excise duty and value added tax as at March 31, 2017 which have not been deposited on account of a dispute are as follows:

Name of the statute	Nature of dues	Amount (₹ Crore)	Period to which the amount relates	Forum where the dispute is pending
Delhi Sales Tax Act, 1975	Sales Tax	311.74 <sup>1</sup>	2004-2005	Department of Trade and Taxes Tribunal, & Divisional Bench of High Court, New Delhi
Delhi Sales Tax on Works Contract Act, 1999	Works Contract Tax	0.05 <sup>2</sup>	2004-2005	Joint Commissioner (Appeal), Department of Trade and Taxes, New Delhi
Orissa Sales Tax Act, 1947	Sales Tax	3.46 <sup>3</sup>	2001-2002	Orissa Sales Tax Tribunal, Cuttack
West Bengal Value Added Tax Act, 2003	VAT	56.42 <sup>4</sup>	2010-2011	Appellate Additional Commissioner, Kolkata
West Bengal Value Added Tax Act, 2003	VAT	4.27 <sup>5</sup>	2008-2009	West Bengal Appellate and Revisional Board
Madhya Pradesh Value Added Tax Act, 2002	VAT	3.12 <sup>6</sup>	2009-2010	Madhya Pradesh Commercial Tax Appellate Board, Bhopal
Central Sales Tax Act, 1956 – Madhya Pradesh	Central Sales Tax	0.19 <sup>7</sup>	2009-2010	Madhya Pradesh Commercial Tax Appellate Board, Bhopal
Madhya Pradesh Entry Tax Act, 1976	Entry Tax	0.48 <sup>8</sup>	2009-2010	Madhya Pradesh Commercial Tax Appellate Board, Bhopal
Uttar Pradesh Trade Tax Act, 1948	Sales Tax	0.24 <sup>9</sup>	2009-2010	Additional Commissioner Grade II, Appeals II, Noida
Central Sales Tax Act, 1956 – Uttar Pradesh	Central Sales Tax	0.06 <sup>10</sup>	2010-2011	Additional Commissioner Grade II, Appeals II, Noida
Maharashtra Value Added Tax Act, 2002	Sales Tax	0.07 <sup>11</sup>	2008-2009	Joint Commissioner (Appeals) of Sales tax, Mumbai
Uttar Pradesh Trade Tax Act, 1948	Sales Tax	0.06 <sup>12</sup>	2006-2007	Additional Commissioner Appeals, Trade Tax Department Lucknow
Central Sales Tax Act, 1956 – Uttar Pradesh	Central Sales Tax	2.48 <sup>13</sup>	2006-2007	Additional Commissioner Grade II, Appeals II, Noida
Uttar Pradesh Value Added Tax Act, 2008	VAT	0.04 <sup>14</sup>	2011-2012	Additional Commissioner Grade II, Appeals II, Noida
Uttar Pradesh Entry Tax Act, 2007	Entry Tax	0.05 <sup>15</sup>	2007-2008 & 2008-2009	Additional Commissioner Grade II, Appeals II, Noida

**Annexure A to Auditors' Report**

Referred to in our Auditors' Report of even date to the members of Reliance Infrastructure Limited on the Standalone Ind AS financial statements for the year ended March 31, 2017

Name of the statute	Nature of dues	Amount (₹ Crore)	Period to which the amount relates	Forum where the dispute is pending
West Bengal Value Added Tax Act, 2003	VAT	25.46 <sup>16</sup>	2011-2012	West Bengal Appellate Tribunal
Uttar Pradesh Trade Tax Act, 1948	Sales Tax	2.26 <sup>17</sup>	2007-2008	Additional Commissioner Grade II, Appeals II, Noida
Central Sales Tax Act, 1956 – Uttar Pradesh	Central Sales Tax	0.02 <sup>18</sup>	2011-2012	Additional Commissioner Grade II, Appeals II, Noida
Orissa Sales Tax Act, 1947	Sales Tax	0.24	2003-2004	Orissa Sales Tax Tribunal, Cuttack
Andhra Pradesh Value Added Tax Act, 2005	VAT	5.33 <sup>19</sup>	2010-2011 & 2011-2012	Andhra Pradesh VAT Appellate Tribunal, Vishakhapatnam
Central Sales Tax Act, 1956 – West Bengal	Central Sales Tax	0.15	2013-2014	Joint Commissioner of Commercial Taxes, West Bengal
Bihar Value Added Tax Act, 2005	VAT	2.17 <sup>20</sup>	2013-2014, 2014-2015 & 2015-2016	Joint Commissioner of Commercial Taxes (Appeal), Bihar
West Bengal Tax on Entry of Goods into Local Areas Act, 2012	Entry Tax	0.35	2013-2014	Joint Commissioner of Commercial Taxes, West Bengal
Income Tax Act, 1961	Income Tax	544.27 (for which the tax authorities are the appellant)	A.Y. 2001-2002, 2002-2003, 2003-2004, 2006-2007, 2007-2008 & 2008-2009	Supreme Court
Income Tax Act, 1961	Income Tax	594.92 (for which the tax authorities are the appellant)	A.Y. 1998-1999, 1999-2000, 2001-2002, 2002-2003, 2003-2004, 2007-2008, 2008-2009 & 2009-2010	Bombay High Court
Income Tax Act, 1961	Income Tax	435.56 (for which the tax authorities are the appellant)	A.Y. 2010-2011 & 2011-2012	Income Tax Appellate Tribunal, Mumbai
Income Tax Act, 1961	Income Tax Penalty	8.27	A.Y. 2010-11	CIT (Appeals), Mumbai

Includes 1 ₹ 7.63 Crore, 2 ₹ 5,000, 3 ₹ 1.36 Crore, 4 ₹ 0.20 Crore, 5 ₹ 0.40 Crore, 6 ₹ 1.67 Crore, 7 ₹ 0.04 Crore, 8 ₹ 0.13 Crore, 9 ₹ 0.09 Crore, 10 ₹ 0.02 Crore 11 ₹ 35,000, 12 ₹ 0.01 Crore, 13 ₹ 0.62 Crore, 14 ₹ 0.02 Crore, 15 ₹ 0.01 Crore, 16 ₹ 0.84 Crore, 17 ₹ 0.26 Crore, 18 ₹ 0.02 Crore, 19 ₹ 1.33 20 Crore, 20 ₹ 0.43 Crore paid / adjusted under protest.

\*As per the terms of the contract the amount is recoverable from the customers. The amount reported above includes interest of ₹ 181.77 Crore.

- (viii) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders.
- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and in our opinion and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were raised.

# Reliance Infrastructure Limited

## Annexure A to Auditors' Report

Referred to in our Auditors' Report of even date to the members of Reliance Infrastructure Limited on the Standalone Ind AS financial statements for the year ended March 31, 2017

- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and accordingly the provision of the clause 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable.  
  
The details of related party transactions as required under Ind AS 24, Related Party Disclosures specified under Section 133 of the Act, have been disclosed in the Standalone Ind AS financial statements.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence the provision of clause 3(xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its Directors.
- (xvi) According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

### For Haribhakti & Co. LLP

Chartered Accountants

Firm Regn. No: 103523W / W100048

### Bhavik L. Shah

Partner

Membership No.122071

Place : Mumbai

Date : April 15, 2017

### For Pathak H. D. & Associates

Chartered Accountants

Firm Regn. No: 107783W

### Vishal D. Shah

Partner

Membership No. 119303

Place : Mumbai

Date : April 15, 2017

**Annexure B to Auditors' Report**

[Annexure to the Independent Auditor's Report referred to in paragraph "14(f)" under the heading "Report on other legal and regulatory requirements" of our report of even date on the Standalone Ind AS financial statements of Reliance Infrastructure Limited for year ended March 31, 2017.]

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Reliance Infrastructure Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

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

The Company's management 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 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 its 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**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both 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 internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 Standalone Ind AS financial statements, whether due to fraud or error.

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 internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting 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 standalone Ind AS 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 Standalone Ind AS financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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 issued by the ICAI.

**For Haribhakti & Co. LLP**

Chartered Accountants

Firm Regn. No: 103523W / W100048

**Bhavik L. Shah**

Partner

Membership No.122071

**For Pathak H. D. & Associates**

Chartered Accountants

Firm Regn. No: 107783W

**Vishal D. Shah**

Partner

Membership No. 119303

Place : Mumbai

Date : April 15, 2017

Place : Mumbai

Date : April 15, 2017

# Reliance Infrastructure Limited

## Balance Sheet as at March 31, 2017

	Note	As at March 31, 2017	As at March 31, 2016	₹ Crore As at April 01, 2015
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, Plant and Equipment	3	15,845.97	16,300.50	16,703.84
Capital Work-in-progress	3	183.67	168.61	887.26
Investment Property	4	558.42	589.42	-
Other Intangible Assets	5	13.69	12.13	15.18
Financial Assets				
Investments	7(a)	16,639.71	15,380.95	13,819.48
Trade Receivables	8	-	267.83	827.16
Service Concession Receivable	9	928.38	1,094.50	1,003.75
Other Financial Assets	13	106.17	186.76	202.73
Other Non - Current Assets	14	332.58	937.25	341.84
<b>Total Non-Current Assets</b>		<b>34,608.59</b>	<b>34,937.95</b>	<b>33,801.24</b>
<b>Current Assets</b>				
Inventories	6	307.24	424.96	386.62
Financial Assets				
Investments	7(b)	252.23	223.34	245.88
Trade Receivables	8	5,100.04	4,992.32	6,026.82
Service Concession Receivable	9	287.76	287.76	287.76
Cash and Cash Equivalents	10	154.84	178.79	109.31
Bank Balance other than Cash and Cash Equivalents above	11	91.78	77.31	36.32
Loans	12	11,462.34	10,729.48	7,255.97
Other Financial Assets	13	1,803.42	662.09	1,070.25
Other Current Assets	14	748.60	860.33	1,191.35
<b>Total Current Assets</b>		<b>20,208.25</b>	<b>18,436.38</b>	<b>16,610.28</b>
Non Current Assets classified as held for Sale	15	661.70	2,856.27	1,411.28
<b>Total Assets before Regulatory Assets</b>		<b>55,478.54</b>	<b>56,230.60</b>	<b>51,822.80</b>
Regulatory deferral account debit balances and related deferred tax balances	16	1,956.89	2,533.47	2,919.58
<b>Total Assets</b>		<b>57,435.43</b>	<b>58,764.07</b>	<b>54,742.38</b>
<b>Equity and Liabilities</b>				
<b>Equity</b>				
Equity Share Capital	17	263.03	263.03	263.03
Other Equity	18	20,732.11	19,035.62	19,602.17
<b>Total Equity</b>		<b>20,995.14</b>	<b>19,298.65</b>	<b>19,865.20</b>
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
Financial Liabilities				
Borrowings	19	7,351.96	10,448.61	8,497.85
Financial Lease Obligations	52(2)	4,164.75	4,222.26	4,269.52
Trade Payables	21	4.98	252.82	424.55
Other Financial Liabilities	22	149.62	116.11	72.53
Provisions	24	380.00	380.00	380.00
Deferred Tax Liabilities (Net)	25(e)	2,522.40	2,635.57	2,668.20
Other Non - Current Liabilities	23	1,958.08	1,834.22	2,108.99
<b>Total Non-Current Liabilities</b>		<b>16,531.79</b>	<b>19,889.59</b>	<b>18,421.64</b>
<b>Current Liabilities</b>				
Financial Liabilities				
Borrowings	20	5,248.54	7,241.48	7,058.02
Financial Lease Obligations	52(2)	52.66	47.25	42.40
Trade Payables	21	5,648.83	4,562.32	3,895.11
Other Financial Liabilities	22	5,629.97	5,066.62	3,713.36
Other Current Liabilities	23	2,596.21	1,967.57	1,429.19
Provisions	24	251.99	184.50	111.40
Current Tax Liabilities (Net)		480.30	506.09	206.06
<b>Total Current Liabilities</b>		<b>19,908.50</b>	<b>19,575.83</b>	<b>16,455.54</b>
<b>Total Equity and Liabilities</b>		<b>57,435.43</b>	<b>58,764.07</b>	<b>54,742.38</b>

The accompanying notes form an integral part of the financial statements.

1 to 58

As per our attached Report of even date

**For Haribhakti & Co. LLP.**  
Chartered Accountants  
Firm Registration No. 103523W/W100048

**Bhavik L. Shah**  
Partner  
Membership No. 122071

**For Pathak H. D. & Associates**  
Chartered Accountants  
Firm Registration No. 107783W

**Vishal D. Shah**  
Partner  
Membership No. 119303

For and on behalf of the Board

**Anil D Ambani** DIN - 00004878  
**S Seth** DIN - 00004631  
**S S Kohli** DIN - 00169907  
**Dr V K Chaturvedi** DIN - 01802454  
**Ryna Karani** DIN - 00116930  
**V R Galkar** DIN - 00009177  
**K Ravikumar** DIN - 00119753  
**Shiv Prabhat** DIN - 07319520

Chairman  
Vice Chairman

Directors

**Lalit Jalan**  
**Sridhar Narasimhan**  
**Ramesh Shenoy**

Chief Executive Officer  
Chief Financial Officer  
Company Secretary

Date : April 15, 2017  
Place : Mumbai

Date : April 15, 2017  
Place : Mumbai

Date : April 15, 2017  
Place : Mumbai



Statement of Profit and Loss for the year ended March 31, 2017

	Note	Year ended March 31, 2017	₹ Crore Year ended March 31, 2016
<b>Revenue from Operations</b>	<b>26</b>	<b>8,771.50</b>	9,773.03
Other Income	27	2,260.18	2,092.52
Less: Transfer to General Reserve	40	27.34	-
		<u>2,232.84</u>	<u>2,092.52</u>
<b>Total Income</b>		<b>11,004.34</b>	11,865.55
<b>Expenses</b>			
Cost of Power Purchased		2,623.38	2,961.64
Cost of Fuel Consumed		1,004.75	977.50
Construction Material Consumed and Sub-Contracting charges		1,098.13	1,453.75
Employee Benefits Expense	28	981.89	995.02
Finance Costs	29	2,709.89	2,515.03
Less: Transfer from General Reserve	40	-	252.50
		<u>2,709.89</u>	<u>2,262.53</u>
Depreciation and Amortisation Expense	3, 4 & 5	930.44	902.88
Other Expenses	30	1,326.10	1,660.23
Less: Transfer from General Reserve	40	272.36	158.26
		<u>1,053.74</u>	<u>1,501.97</u>
<b>Total Expenses</b>		<b>10,402.22</b>	11,055.29
<b>Profit Before Exceptional Items, Rate Regulated Activities and Tax</b>		<b>602.12</b>	810.26
Exceptional Items – Expenses	42	708.91	989.59
Less: Transfer from General reserve	42	555.58	948.62
		<u>153.33</u>	<u>40.97</u>
<b>Profit Before Tax and Rate Regulated Activities</b>		<b>448.79</b>	769.29
Add / (Less): Regulatory Income / (Expenses) (Net of Deferred Tax)	16	755.94	427.42
<b>Profit Before Tax</b>		<b>1,204.73</b>	1,196.71
Tax Expenses			
– Current tax	25(a)	46.00	227.00
– Deferred tax – Liabilities / (Assets) (Net)	25(a)	(113.17)	(32.63)
– Income tax for earlier years (Net)	25(a)	(16.51)	8.26
		<u>(83.68)</u>	<u>202.63</u>
<b>Profit After Tax</b>		<b>1,288.41</b>	994.08
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Re-measurements of net defined benefit plans : Gains / (Loss)		(30.45)	(33.67)
Income-tax relating to the above	25(a)	6.00	7.00
		<u>(24.45)</u>	<u>(26.67)</u>
<b>Total Comprehensive Income</b>		<b>1,263.96</b>	967.41
<b>Earnings per Equity Share (before Rate Regulated Activities)</b>	31	₹	₹
(Face Value of ₹ 10 per share)			
Basic and Diluted (in Rupee)		20.25	21.55
<b>Earnings per Equity Share (Face Value of Rs 10 per share)</b>		₹	₹
Basic and Diluted (in Rupee)		48.99	37.80
The accompanying notes form an integral part of the financial statements. 1 to 58			

As per our attached Report of even date

**For Haribhakti & Co. LLP.**  
Chartered Accountants  
Firm Registration No. 103523W/W100048

**Bhavik L. Shah**  
Partner  
Membership No. 122071

**For Pathak H. D. & Associates**  
Chartered Accountants  
Firm Registration No. 107783W

**Vishal D. Shah**  
Partner  
Membership No. 119303

For and on behalf of the Board

**Anil D Ambani** DIN - 00004878  
**S Seth** DIN - 00004631  
**S S Kohli** DIN - 00169907  
**Dr V K Chaturvedi** DIN - 01802454  
**Ryna Karani** DIN - 00116930  
**V R Galkar** DIN - 00009177  
**K Ravikumar** DIN - 00119753  
**Shiv Prabhat** DIN - 07319520

Chairman  
Vice Chairman

} Directors

**Lalit Jalan**  
**Sridhar Narasimhan**  
**Ramesh Shenoy**

Chief Executive Officer  
Chief Financial Officer  
Company Secretary

Date : April 15, 2017  
Place : Mumbai

Date : April 15, 2017  
Place : Mumbai

Date : April 15, 2017  
Place : Mumbai

## Statement of Changes in Equity

## A. Equity Share Capital (Refer Note No.17)

		(₹ Crore)	
Particulars	Balance at the beginning of the year	Changes in equity share capital during the year	Balance at the end of the year
As at April 01, 2015	263.03	-	263.03
As at March 31, 2016	263.03	-	263.03
As at March 31, 2017	263.03	-	263.03

## B. Other Equity (Refer Note No. 18)

Particulars	Note	Reserves and Surplus						Total
		Retained Earnings	Capital Reserve	Capital Redemption Reserve	Securities Premium Account	Debenture Redemption Reserve	General Reserve	
							Other Reserves	
							Contingency Reserve	
							Statutory Reserves @	
							Foreign Currency Monetary Item Translation Difference Account	
							Treasury Shares	
Balances as at April 01, 2015		486.93	3,777.02	130.03	8,825.09	459.87	5,672.77	19,602.17
Profit for the year		994.08	-	-	-	-	-	994.08
Other comprehensive income for the year	44	(26.67)	-	-	-	-	-	(26.67)
- Remeasurements gains / (loss) on defined benefit plans (Net of Tax)								
Total comprehensive income for the year		967.41	-	-	-	-	-	967.41
Transfer to General Reserve		(1,400.00)	-	-	-	-	1,400.00	-
Addition to Foreign Currency Monetary Item Translation Difference Account		-	-	-	-	-	-	(27.19)
Amortisation from Foreign Currency Monetary Item Translation Difference Account		-	-	-	-	-	-	105.84
Transfer to Statement of Profit and Loss (Net)	40	-	-	-	-	-	(410.76)	(410.76)
Transfer to Statement of Profit and Loss	42	-	-	-	-	-	(948.62)	(948.62)
Transfer to General Reserve		-	-	-	-	(101.35)	101.35	-
Transfer to Debenture Redemption Reserve		(242.46)	-	-	-	242.46	-	-
Transaction with owners in their Capacity as owners	55 (b)	(253.22)	-	-	-	-	-	(253.22)
Dividend Paid (Including Tax on Dividend)		(1,895.68)	-	-	-	141.11	141.97	(1,533.96)
Balance as at March 31, 2016		(441.34)	3,777.02	130.03	8,825.09	600.98	5,814.74	19,035.62
							95.00	6.97
							263.99	36.85

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## Statement of Changes in Equity

(₹ Crore)

### @ Statutory Reserves includes :

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
1. Development Reserve Account No.1 (Represents Development Rebate Reserve admissible under the Income Tax Act)	1.69	1.69	1.69
2. Development Reserve Account No.2 (Represents Development Rebate Reserve admissible under the Income Tax Act)	18.97	18.97	18.97
3. Debt Redemption Reserve	2.30	2.30	2.30
4. Rural Electrification Scheme Reserve	0.11	0.11	0.11
5. Reserve to augment production facilities	0.04	0.04	0.04
6. Reserve for Power Project	100.00	100.00	100.00
7. Development Reserve Account No.3	140.88	140.88	140.88
<b>Total</b>	<b>263.99</b>	<b>263.99</b>	<b>263.99</b>

As per our attached Report of even date

**For Haribhakti & Co. LLP.**

Chartered Accountants  
Firm Registration No. 103523W/W100048

**Bhavik L. Shah**

Partner  
Membership No. 122071

**For Pathak H. D. & Associates**

Chartered Accountants  
Firm Registration No. 107783W

**Vishal D. Shah**

Partner  
Membership No. 119303

For and on behalf of the Board

**Anil D Ambani**

**S Seth**

**S S Kohli**

**Dr V K Chaturvedi**

**Ryna Karani**

**V R Galkar**

**K Ravikumar**

**Shiv Prabhat**

**Lalit Jalan**

**Sridhar Narasimhan**

**Ramesh Shenoy**

Date : April 15, 2017

Place : Mumbai

Chairman  
Vice Chairman

Directors

Chief Executive Officer  
Chief Financial Officer  
Company Secretary

DIN - 00004878  
DIN - 00004631  
DIN - 00169907  
DIN - 01802454  
DIN - 00116930  
DIN - 00009177  
DIN - 00119753  
DIN - 07319520

**Cash Flow Statement for the year ended March 31, 2017**

	Year ended March 31, 2017	₹ Crore Year ended March 31, 2016
<b>A. Cash Flow from Operating Activities :</b>		
Profit before Tax	1,204.73	1,196.71
Adjustments for :		
Depreciation and Amortisation Expenses	930.44	902.88
Net (Income) / Expenses relating to Investment Property	(35.21)	(6.48)
Interest Income	(1,995.82)	(1,890.08)
Dividend Income	(10.63)	(145.93)
(Gain) / Loss on Sale / Redemption of Investments (Net)	60.56	(26.92)
Interest and Finance Cost (net of transfer from reserves)	2,709.89	2,262.53
Provision for Doubtful debts / Advances / Deposits	125.63	545.15
Amortisation of Consumer Contribution	(14.76)	(11.81)
Loan written off	12.00	40.97
Excess Provisions written back	(53.19)	(123.54)
Loss on Sale / Discarding of Assets (Net)	41.82	18.92
Provision for Contingency Reserve Fund	16.77	15.56
Provision for / (write back of) Diminution in Value of Investments	(4.13)	4.07
Provision for Leave Encashment and Gratuity	37.04	39.32
Income from Financial Guarantee Obligation	(7.48)	(6.56)
Reversal of Provision for Impairment of Assets	(39.64)	-
<b>Cash generated from Operations before Working Capital changes</b>	<b>2,978.02</b>	<b>2,814.79</b>
Adjustments for :		
Decrease in Financial Assets and Other Assets	481.75	2,216.38
(Increase) / Decrease in Inventories	117.73	(38.34)
Increase in Financial Liabilities and Other Liabilities	1,260.40	354.90
	1,859.88	2,532.94
<b>Cash generated from Operations</b>	<b>4,837.90</b>	<b>5,347.73</b>
Income Taxes paid (net of refund)	(103.01)	71.78
<b>Net Cash generated from Operating Activities</b>	<b>4,734.89</b>	<b>5,419.51</b>
<b>B. Cash Flow from Investing Activities :</b>		
Interest on Service Concession Received	131.75	112.44
Purchase of Property, Plant and Equipment (including Capital work-in-progress, capital advances and capital creditors)	(453.98)	(512.14)
Purchase of Investment Property	(64.54)	(140.17)
Proceeds from Disposal of Property, Plant and Equipment	21.41	537.56
Net Income / (Expenses) relating to Investment Property	25.59	(2.87)
(Investment) / Redemption in Fixed Deposits with Banks	20.53	(18.53)
Investments in Subsidiaries / Joint Ventures / Associates	(1,094.79)	(2,274.08)
Investments in Assets held for Sale (Refer Note No 15)	(228.43)	(1,445.00)
Investments in Others	(971.89)	(6,958.05)
Proceeds from disposal of Assets held for Sale (Refer Note No 15)	2,010.00	-
Sale of Investment in Subsidiaries	-	0.03
Proceeds from Capital Reduction Scheme in Subsidiaries (Refer Note No 50)	93.55	-
Sale / Redemption of Investments in Others	1,050.41	6,988.49
Inter Corporate Deposits given (Net)	(764.07)	(3,955.69)
Dividend Received	10.63	145.93
Interest Income	1,121.79	1,486.59
<b>Net Cash generated from / (used in) Investing Activities</b>	<b>907.96</b>	<b>(6,035.49)</b>

# Reliance Infrastructure Limited

## Cash Flow Statement for the year ended March 31, 2017

	Year ended March 31, 2017	₹ Crore Year ended March 31, 2016
<b>C. Cash Flow from Financing Activities :</b>		
Proceeds from Long Term Borrowings	2,480.00	5,081.82
Repayment of Long Term Borrowings	(4,537.06)	(1,703.78)
Repayment of Short Term Borrowings (Net)	(692.90)	(227.05)
Principal Payment of Financial Lease Obligation	(47.25)	(42.40)
Payment of Interest and Finance Charges	(2,156.67)	(1,706.02)
Interest Payment on Finance Lease Obligation	(462.21)	(467.06)
Realised Gain / (Loss) on Derivative Instruments (Net)	1.82	(1.39)
Dividends paid to shareholders including tax	(250.39)	(252.45)
<b>Net Cash generated from / (used in) Financing Activities</b>	<b>(5,664.66)</b>	<b>681.67</b>
<b>D. Effect of exchange differences on translation of foreign currency cash and cash equivalent</b>	<b>(2.14)</b>	<b>3.79</b>
Net Increase / (Decrease) in Cash and Cash Equivalents ( A+B+C+D)	<b>(23.95)</b>	<b>69.48</b>
Cash and cash equivalents as at the beginning of the year	<b>178.79</b>	<b>109.31</b>
Cash and cash equivalents as at the end of the year	<b>154.84</b>	<b>178.79</b>
<b>Net Increase / (Decrease) as disclosed above</b>	<b>(23.95)</b>	<b>69.48</b>
<b>Components of Cash and Cash Equivalents (Refer Note No 10)</b>		

The above statement of cash flows should be read in conjunction with the accompanying note no. 1 to 58

\* Including balance in unpaid dividend account of ₹ 14.32 Crore (₹ 13.32 Crore) and balance in current account with banks of ₹ 7.45 Crore (₹ 14.76 Crore) lying in Escrow account with bank held as Security against borrowings and bank deposits with Sales-tax department ₹ 47,290/- (₹ 0.02 Crore).

Previous year figures have been regrouped/reclassified/rearranged wherever necessary to make them comparable to those for the current year.

As per our attached Report of even date

**For Haribhakti & Co. LLP.**  
Chartered Accountants  
Firm Registration No. 103523W/W100048

**Bhavik L. Shah**  
Partner  
Membership No. 122071

**For Pathak H. D. & Associates**  
Chartered Accountants  
Firm Registration No. 107783W

**Vishal D. Shah**  
Partner  
Membership No. 119303

For and on behalf of the Board

**Anil D Ambani** DIN - 00004878  
**S Seth** DIN - 00004631  
**S S Kohli** DIN - 00169907  
**Dr V K Chaturvedi** DIN - 01802454  
**Ryna Karani** DIN - 00116930  
**V R Galkar** DIN - 00009177  
**K Ravikumar** DIN - 00119753  
**Shiv Prabhat** DIN - 07319520

Chairman  
Vice Chairman

Directors

**Lalit Jalan**  
**Sridhar Narasimhan**  
**Ramesh Shenoy**

Chief Executive Officer  
Chief Financial Officer  
Company Secretary

Date : April 15, 2017  
Place : Mumbai

Date : April 15, 2017  
Place : Mumbai

Date : April 15, 2017  
Place : Mumbai



**Notes to the standalone financial statements as of and for the year ended March 31, 2017**

**Corporate Information:**

Reliance Infrastructure Limited ("RInfra", "the Company") is one of the largest infrastructure companies, developing projects through various Special Purpose Vehicles (SPVs) in several high growth sectors within the infrastructure space such as Power, Roads, Metro Rail, Cement and Defence. RInfra is also a leading utility having presence across the value chain of power business i.e. Generation, Transmission, Distribution and Power Trading. RInfra also provides Engineering, Procurement and Construction (EPC) services for various infrastructure projects.

The Company is a public limited Company which is listed on two recognised stock exchanges in India. The Company's Global Depository Receipts, representing Equity Shares, is also listed on London Stock Exchange. The Company is incorporated and domiciled in India under the provisions of the Indian Companies Act, 1913. The registered office of the Company is located at H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400710.

These financial statements of the Company for the year ended March 31, 2017 were authorised for issue by the board of directors on April 15, 2017. Pursuant to the provisions of section 130 of the Act, the Central Government, Income tax authorities, Securities and Exchange Board of India, other statutory regulatory body and under section 131 of the Act, the board of directors of the Company have powers to amend / re-open the financial statements approved by the board / adopted by the members of the Company.

**1. Significant Accounting Policies:**

**(a) Basis of preparation, measurement and significant accounting policies:**

**(i) Compliance with Indian Accounting Standard (Ind AS)**

The standalone financial statements of the Company comply in all material aspects with Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with relevant rules and other accounting principles. The policies set out below have been consistently applied during the years presented.

**(ii) Basis of Preparation**

The financial statements for all periods up to and including the year ended March 31, 2016 were prepared in accordance with the accounting standards notified under Section 133 of Companies Act, 2013 read together with the Companies (Accounts) Rules, 2014 ("Previous GAAP").

As these financial statements for the year ended March 31, 2017 are the first financial statements of the Company prepared in accordance with Ind AS, Ind AS 101, "First-time Adoption of Indian Accounting Standards" has been applied. An explanation of how the transition from Previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows including reconciliations and descriptions of the effect of the transition are provided in Note No 53.

These financial statements are presented in 'Indian Rupees', which is also the Company's functional currency and all amounts, are rounded to the nearest Crore, with two decimals, unless otherwise stated. The financial statements have been prepared in accordance with the requirements of the information and disclosures mandated by Schedule III to the Act, applicable Ind AS, other applicable pronouncements and regulations. The tariff in respect of Company's Mumbai Generation, Transmission and Distribution Business is subject to approval from Regulatory Authorities. The basis of accounting for regulatory deferral balances of such businesses is in accordance with the provisions of Ind AS 114 "Regulatory Deferral Accounts" read with the Guidance Note on Rate Regulated Activities issued by The Institute of Chartered Accountants of India (ICAI).

**(iii) Basis of Measurement**

The financial statements have been prepared on a historical cost convention on accrual basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value;
- defined benefit plans – planned assets measured at fair value; and
- assets held for sale – measured at fair value less cost to sell or carrying value whichever is lower

**(iv) New Standards and Interpretations not yet effective**

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, "Statement of Cash Flows" and Ind AS 102, "Share-Based Payment". The amendments are applicable to the Company from April 01, 2017.

**Amendment to Ind AS 7 "Statement of Cash Flows":**

The amendment to Ind AS 7 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.

The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

### **Amendment to Ind AS 102 "Share Based Payment":**

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that includes a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The Company is evaluating the requirements of the amendment and the impact on the financial statements.

- (v) Financial statements have been prepared on a going concern basis in accordance with the applicable accounting standards prescribed in the Companies (Indian Accounting Standards), Rules, 2015 issued by the Central Government.

### **(b) Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM).

The board of directors of RInfra has appointed the Chief Executive Officer ('CEO') to assess the financial performance and position of the Company, and makes strategic decisions. The CEO has been identified as being the Chief Operating Decision Maker for corporate planning. Refer Note No 37 for segment information presented.

### **(c) Current versus Non-Current Classification**

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- Held primarily for the purpose of trading

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- Held primarily for the purpose of trading

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Regulatory Assets / Liabilities are presented as separate line item distinguished from assets and liabilities as per Ind AS 114.

**(d) Revenue Recognition Policy:**

Revenue is recognized when the amount of revenue can be reliably measured, it is probable that the economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Further, specific criteria for revenue recognition followed for different businesses are as under-

**(i) Power Business:**

**a. Revenue from Sale of Power:** Revenue from sale of power is accounted for on the basis of billing to consumers based on billing cycles followed by the Company which is inclusive of fuel adjustment charges (FAC) and includes unbilled revenue for the year. Generally all consumers are billed on the basis of recording of consumption of energy by installed meters. Where meters have stopped or are faulty, the billing is done based on the past consumption for such period.

**b. Revenue from Transmission Business:** In case of transmission businesses not assessed as service concession arrangement, revenue is accounted on the basis of periodic billing to consumers / state transmission utility. The surcharge on late / non-payment of dues by customers for sale of energy is recognized as revenue on certainty of receipt.

The Transmission system Incentive/disincentive is accounted for based on the certification of availability by the respective regional power committee and in accordance with the norms notified / approved by the CERC.

**c.** The Company determines revenue gaps (i.e. surplus/shortfall in actual returns over returns entitled) in respect of its regulated operations in accordance with the provisions of Ind AS 114 "Regulatory Deferral Accounts" read with the Guidance Note on Rate Regulated Activities issued by ICAI and based on the principles laid down under the relevant Tariff Regulations / Tariff Orders notified by the Electricity Regulator and the actual or expected actions of the regulator under the applicable regulatory framework. Appropriate adjustments in respect of such revenue gaps are made in the revenue of the respective year for the amounts which are reasonably determinable and no significant uncertainty exists in such determination. These adjustments / accruals representing revenue gaps are carried forward as Regulatory deferral accounts debit / credit balances (Regulatory Assets / Regulatory Liabilities) as the case may be in the financial statements, which would be recovered / refunded through future billing based on future tariff determination by the regulator in accordance with the electricity regulations.

The Company presents separate line items in the balance sheet for:

- i. the total of all regulatory deferral account debit balances and related deferred tax balances; and
- ii. the total of all regulatory deferral account credit balances and related deferred tax balances.

A separate line item is presented in the Statement of Profit and Loss for the net movement in regulatory deferral account net of deferred tax for the reporting period.

**(ii) EPC and Contracts Business:**

In respect of construction contracts, the Company uses the 'percentage-of-completion method' to determine the appropriate amount of revenue to be recognised in a given period. The stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred in the year in connection with the future activity on a contract are excluded from contract costs in determining the stage of completion.

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract by reference to the stage of completion.

Contract costs are recognised as expenses by reference to the stage of completion of the contract activity at the end of the reporting period. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

Variations in contract work, claims and incentive payments are included in contract revenue to the extent that may have been agreed with the customer and are capable of being reliably measured.

### (iii) Service Concession Arrangements:

The Company manages service concession arrangements which include the construction of transmission lines and a power plant followed by a period in which the Company maintains and services the infrastructure. This may also include, in a secondary period, asset replacement or refurbishment. These concession arrangements set out rights and obligations related to the infrastructure and the service to be provided.

Under Appendix A to Ind AS 11 – "Service Concession Arrangements", these arrangements are accounted for based on the nature of the consideration. The financial model is used when the Company has an unconditional right to receive cash or another financial asset from or at the direction of the grantor for the construction services.

For fulfilling those obligations, the Company is entitled to receive either cash from the grantor or a contractual right to charge the users of the service. The consideration received or receivable is allocated by reference to the relative fair values of the services provided; typically:

- a) Construction component
- b) A service element for operating and maintenance services performed

The right to consideration gives rise to financial asset:

Revenue from the concession arrangements earned under the financial asset model consists of the (i) fair value of the amount due from the grantor; and (ii) interest income related to the capital investment in the project.

### (iv) Others:

Insurance and other claims are recognized as revenue on certainty of receipt on prudent basis.

Income from rentals and others is recognized in accordance with terms of the contracts with customers based on the period for which the facilities have been used.

Rental income arising from operating lease is accounted on a straight line basis over the lease terms.

Amounts received from consumers as Service Line Contribution (SLC) towards Property, Plant and Equipment (PPE) are accounted as Liability under Non-Current Liabilities. An amount equivalent to depreciation on such PPE is recognised as income in the Statement of Profit and Loss over the life of the assets.

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established.

### (e) Foreign Currency Transactions:

#### Functional and Presentation Currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

#### Transactions and Balances

Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions and from translation of monetary assets and liabilities at the reporting date exchange rates are recognised in the Statement of Profit and Loss except in case of certain long term foreign currency monetary items where the treatment is as under:

The Company has availed an option of continuing the policy adopted for exchange differences arising from translation of long term foreign currency monetary items outstanding as on March 31, 2016 in accordance with Para 46A of AS-11 "The Effects of changes in Foreign Exchange Rates" of Previous GAAP. Accordingly, foreign exchange gain/losses on long term foreign currency monetary items relating to the acquisition of depreciable assets are added to or deducted from the cost of such assets and in other cases, such gains or losses are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" to be amortised over the remaining life of the concerned monetary item. Non monetary items which are carried at historical cost denominated in foreign currency are reported using the exchange rates at the dates of the transaction.

### (f) Financial Instruments:

The Company recognises financial assets and liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised at fair values on initial recognition, except for trade receivables which are initially measured at transaction price.

**(I) Financial Assets :**

**(i) Classification:**

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in Statement of Profit and Loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

**(ii) Measurement**

**Initial**

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit and Loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

**Subsequent**

**Debt instruments:**

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

• **Amortised cost:**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in Statement of Profit and Loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

• **Fair Value through Other Comprehensive Income (FVOCI):**

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains / (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

• **Fair Value through Profit or Loss (FVTPL):**

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the Statement of Profit and Loss and presented net in the Statement of Profit and Loss in the period in which it arises. Interest income from these financial assets is included in other income.

### Equity instruments:

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

### Investments in Subsidiaries, Associates and Joint-Ventures:

The Company has accounted for its equity instruments in Subsidiaries, Associates and Joint-Ventures at cost.

#### Transition to Ind AS

Ind AS 101 "First-time Adoption of Indian Accounting Standards" permits a first time adopter to measure its each investment in subsidiaries, joint ventures or associates, at the date of transition, at cost determined in accordance with Ind AS 27 "Separate Financial Statements" or deemed cost. The deemed cost of such investment can be its fair value at date of transition to Ind AS of the Company, or Previous GAAP carrying amount at that date. The Company has elected to measure its investment in Reliance Power Limited, associate of the Company, which will be regarded at deemed cost at its fair value on transition date. The rest of the investments in subsidiaries, joint ventures and associates are carried at their Previous GAAP carrying values as its deemed cost on the transition date.

### (iii) Impairment of Financial Assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note No 54 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company measures the expected credit loss associated with its trade receivables based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

### (iv) Derecognition of Financial Assets

A financial asset is derecognised only when:

- Right to receive cash flow from assets have expired or
- The Company has transferred the rights to receive cash flows from the financial asset or
- It retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

## (II) Financial Liabilities

### Initial Recognition and Measurement

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

### Subsequent measurement

Financial liabilities at amortized cost: After initial measurement, such financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the Statement of Profit and Loss.



**(a) Borrowings:**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the EIR method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

**(b) Trade and Other Payables:**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method

**(c) Financial Guarantee Obligations:**

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of subsidiaries, joint ventures or associates are provided for no compensation, the fair values as on the date of transition are accounted for as contributions and recognised as part of the cost of the equity investment.

**Derecognition**

A financial liability is derecognized 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 derecognition of the original liability and the recognition of a new liability.

The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

**(g) Fair Value Measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2– Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 –Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Management determines the policies and procedures for both recurring and non-recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Disclosures for valuation methods, significant estimates and assumptions of Financial Instruments (including those carried at amortised cost) (Note No 2) and Quantitative disclosures of fair value measurement hierarchy (Note No 54).

### (h) (i) Derivatives

Derivatives including forward contracts are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The Company does not designate their derivatives as hedges and such contracts are accounted for at fair value through profit or loss and are included in the Statement of Profit and Loss. In respect of derivative transactions, gains / losses are recognised in the Statement of Profit and Loss on settlement. On a reporting date, open derivative contracts are revalued at fair values and resulting gains / losses are recognised in the Statement of Profit and Loss

### (ii) Embedded Derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a nonfinancial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

Derivatives embedded in a host contract that is a financial asset within the scope of Ind AS 109 "Financial Instruments" are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

### (i) Offsetting Financial Instruments:

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

### (j) Property, Plant and Equipment:

Property, Plant and Equipment assets are carried at cost net of tax / duty credit availed less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de-recognized when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Notes to the standalone financial statements as of and for the year ended March 31, 2017

Capital work in progress (CWIP) includes cost of property, plant and equipment under installation / under development, as at balance sheet date. All project related expenditure viz. civil works, machinery under erection, construction and erection materials, preoperative expenditure incidental / attributable to the construction of projects, borrowing cost incurred prior to the date of commercial operations and trial run expenditure are shown under CWIP. These expenses are net of recoveries and income (net of tax) from surplus funds arising out of project specific borrowings.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Property, Plant and Equipment are eliminated from the financial statements, either on disposal or when retired from active use.

Gains and losses on disposals or retirement of assets are determined by comparing proceeds with carrying amount. These are recognized in the Statement of Profit and Loss.

Transition to Ind AS

On transition to Ind AS, the Company has elected to regard the fair values of all its property, plant and equipment as at April 01, 2015 as deemed cost in accordance with the stipulation of Ind AS 101 "First-time Adoption of Indian Accounting Standards". Refer Note No 53 for the first time adoption impact.

**Depreciation methods, estimated useful lives and residual value**

**Power Business:**

Property, Plant and Equipment relating to license business and other power business are depreciated under the straight line method as per the rates and useful life prescribed as per the Electricity Regulations, as referred to in Part "B" of Schedule II to the Act. Depreciation on amount of fair valuation for assets carried at fair value on date of transition is charged over the balance residual life of the assets considering the life prescribed as per the Electricity Regulation. Once the individual asset is depreciated to the extent of seventy (70) percent, remaining depreciable value as on 31st March of the year closing shall be spread over the balance useful life of the asset, as provided in the Electricity Regulations. The residual values are not more than 10% of the cost of the assets.

**EPC and Contracts Business:**

Property, Plant and Equipment of EPC and Contracts Business are depreciated under the reducing balance method as per the useful life and in the manner prescribed in Part "C" Schedule II to the Act.

**Other Activities:**

Property, Plant and Equipment of other activities have been depreciated under the straight line method as per the useful life and in the manner prescribed in Part "C" Schedule II to the Act.

**(k) Investment Property:**

Investment property comprise portion of office building that are held for long term yield and / or capital appreciation. Investment property is initially recognised at cost. Subsequently investment property comprising of building is carried at cost less accumulated depreciation and accumulated impairment losses.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in Statement of Profit and Loss as incurred.

Depreciation on Investment Property is depreciated under the straight line method as per the rates and the useful life prescribed as per Schedule II of the Companies Act.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on periodical basis performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no economic benefit is expected from its disposal.

The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the Statement of Profit and Loss.

**(l) Intangible Assets:**

Intangible assets are stated at cost of acquisition net of tax/duty credits availed, if any, less accumulated amortisation / depletion. Cost includes expenditure directly attributable to the acquisition of asset.

Amortisation Method:

- (i) Softwares pertaining to the power business are amortized as per the rate and in the manner prescribed in the Electricity Regulations. Other softwares are amortised over a period of 3 years.
- (ii) The container trains license fee is amortised over 20 years being the life of the license.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with carrying value of all intangible assets as at April 01, 2015 as per Previous GAAP as deemed cost of intangible asset in accordance with the stipulation of Ind AS 101 "First-time Adoption of Indian Accounting Standards".

**(m) Inventories:**

Inventories are stated at lower of cost and net realisable value. In case of fuel, stores and spares "cost" means weighted average cost. Unserviceable / damaged stores and spares are identified and written down based on technical evaluation.

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

**(n) Allocation of Expenses:**

- (i) Power Business:  
The allocation to capital and revenue is done consistently on the basis of a technical evaluation.
- (ii) EPC and Contracts Business:  
Common overheads are absorbed by various jobs in proportion to the prime cost of each job.

**(o) Employee Benefits:**

**(i) Short-term Obligations:**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as short term employee benefit obligations in the balance sheet.

**(ii) Post-employment Obligations:**

The Company operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity and
- (b) defined contribution plans such as provident fund, superannuation fund etc.

**Defined Benefit Plans**

**(a) Gratuity Obligations**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss. Remeasurement of gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost. The Company contributes to a trust set up by the Company which further contributes to policies taken from Insurance Regulatory and Development Authority (IRDA) approved insurance companies.

**(b) Provident Fund**

The benefit involving employee established provident funds, which require interest shortfall to be recompensated are to be considered as defined benefit plans. As per the Audited Accounts of Provident Fund Trust maintained by the Company, the shortfall arising in meeting the stipulated interest liability, if any, gets duly provided for.

**Defined Contribution plans**

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available. Superannuation plan, a defined contribution scheme is administered by IRDA approved Insurance Companies. The Company makes annual contributions based on a specified percentage of each eligible employee's salary.

**(iii) Other long-term employee benefit obligations:**

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

**(p) Treasury Shares:**

The Company has created a Reliance Infrastructure ESOS Trust (ESOS Trust) for providing share-based payment to its employees. The Company uses ESOS Trust as a vehicle for distributing shares to employees under the employee remuneration schemes. The ESOS Trust buys shares of the company from the market, for giving shares to employees. The Company treats ESOS Trust as its extension and shares held by ESOS Trust are treated as treasury shares.

Reliance Infrastructure ESOS Trust has in substance acted as an agent and the Company as a sponsor retains the majority of the risks rewards relating to funding arrangement. Accordingly, the Company has recognised issue of shares to the Trust as the issue of treasury shares and deducted from equity by consolidating Trust into financial statements of the Company.

**(q) Borrowing Costs:**

Borrowing cost includes interest, amortisation of ancillary cost incurred in connection with the arrangement of borrowings and the exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

**(r) Income Taxes:**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Company operates and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Income tax expense for the year comprises of current tax and deferred tax. Income tax is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised in 'Other Comprehensive Income' or directly in equity, in which case the tax is recognised in 'Other Comprehensive Income' or directly in equity, respectively.

**(s) Provisions:**

Provisions for legal claims are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as finance cost.

**(t) Contingent Liabilities and Contingent Assets:**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is probable that an outflow of resources will not be required to settle the obligation. However, if the possibility of outflow of resources, arising out of present obligation, is remote, it is not even disclosed as contingent liability.

A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the notes to financial statements. A Contingent asset is not recognized in financial statements, however, the same is disclosed where an inflow of economic benefit is probable.

**(u) Impairment of Non-financial Assets:**

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that a non-financial asset may be impaired. Indefinite-life intangibles are subject to a review for impairment annually or more frequently if events or circumstances indicate that it is necessary. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or group of assets is considered as a cash generating unit. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognizing the impairment loss as an expense in the Statement of Profit and Loss. The impairment loss is allocated first to reduce the carrying amount of any goodwill (if any) allocated to the cash generating unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Recoverable amount is higher of an asset's or cash generating unit's fair value less cost of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased. An impairment loss recognized for goodwill is not reversed in subsequent periods.

**(v) Cash and Cash Equivalents:**

Cash and cash equivalents in the Balance Sheet comprise of cash on hand, demand deposits with Banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.



**(w) Cash flow Statement:**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**(x) Accounting for Oil and Gas Activity:**

Oil and natural gas exploration and evaluation expenditures are accounted for using the 'successful efforts' method of accounting. Costs are accumulated on a field-by-field basis. Geological and geophysical costs are expensed as incurred. Costs directly associated with an exploration well, and exploration and property leasehold acquisition costs, are capitalised until the determination of reserves is evaluated. If it is determined that commercial discovery has not been achieved, these costs are charged to expense.

**(y) Contributed Equity:**

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**(z) Dividends:**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

**(aa) Earnings per Share (EPS):**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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.

Both Basic earnings per share and Diluted earnings per share have been calculated with and without considering income from Rate Regulated activities in the Net Profit attributable to Equity Shareholders.

**(bb) Leases:**

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially rests with the lessor are recognised as operating lease. Lease rentals under operating lease are recognised in the Statement of Profit and Loss on a straight line basis.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to April 1, 2015, the Company has determined whether the arrangement constitute lease on the basis of facts and circumstances existing on the date of transition.

**As a lessee**

Leases of property, plant and equipment where the Company, as lessee, has substantially obtained all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

**As a lessor**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of

the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the entity's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

**(cc) Non-current assets (or disposal group) held for sale and discontinued operations:**

Non-current assets (or disposal group) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognized for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset (or disposal group) is recognized at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortized while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognized.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the Statement of Profit and Loss.

**(dd) Business Combinations:**

Common control business combinations include transactions, such as transfer of subsidiaries or businesses, between entities within a group.

Business combinations involving entities or businesses under common control are accounted for using the pooling of interests method, the assets and liabilities of the combining entities are reflected at their carrying amounts, the only adjustments that are made are to harmonise accounting policies.

Transition to Ind AS

The Company has availed an option of not to apply Ind AS 103 "Business Combination" retrospectively for any business combinations occurred before April 01, 2015.

**(ee) Rounding off amounts:**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Crore with two decimals, as per the requirement of Schedule III, unless otherwise stated.

**2. Critical estimates and judgements:**

The areas involving critical estimates or judgements are:

- **Estimation of deferred tax assets recoverable**

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 same 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.

The Company has ₹ 51.24 Crore (March 31, 2016: ₹ 11.24 Crore, April 01, 2015: ₹ Nil) of Minimum Alternate Tax (MAT) credit entitlement assets. According to management's estimate, these balances will expire and may not be used to offset taxable income. The Company neither has any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these MAT credit entitlement as deferred tax assets. On this basis, the Company has determined that it cannot recognise deferred tax assets on these balances.

Notes to the standalone financial statements as of and for the year ended March 31, 2017

Similarly, the Company has unused capital gain tax losses of ₹ 799.35 Crore (March 31, 2016 – ₹ 578.39 Crore, April 01, 2015 – ₹ 578.39 Crore), which according to the management will expire and may not be used to offset taxable gain, if any, incurred by the Company. Refer Note No. 25(d) for amounts of such temporary differences on which deferred tax assets are not recognised.

- **Estimated fair value of unlisted securities**

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

Refer Note No 54 on fair value measurements where the assumptions and methods to perform the same are stated.

- **Estimation of defined benefit obligation**

The cost of the defined benefit gratuity plan and other post-employment employee benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available Indian Assured Lives Mortality (2006-08) Ultimate. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Refer Note No 44 for key actuarial assumptions.

- **Impairment of trade receivables, loans and other financial assets**

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Refer note 54 on financial risk management where credit risk and related impairment disclosures are made.

- **Revenue recognition**

The Company uses the 'percentage-of-completion method' to determine the appropriate amount to recognise in a given period. The stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion.

- **Regulatory deferral assets and liabilities**

From April 01, 2012 till March 31, 2016 (2nd Multi Year Tariff (MYT) control period) and from April 01, 2016 till March 31, 2020 (3rd (MYT) control period), determination of Retail Supply Tariff (RST) / Transmission charges chargeable by the Company to its consumers is governed by MERC (MYT) Regulations 2011 and MERC (MYT Regulations) 2015, whereby MERC is required to determine the RST and Transmission charges in a manner that the Company recovers its power purchase costs as well as other prudently incurred expenses and earns assured return of 15.5% p.a. on MERC approved equity in Distribution Wires Business and Transmission Business and 17.5% p.a. on MERC approved equity in Retail Supply Business, subject to achievement of Plant Load Factor of 85% , transmission availability of 98% and Aggregate Technical and Commercial (AT&C) loss reduction targets respectively. The rate review or "truing up" process during the MYT period is being conducted as per the principles stated in MYT Regulations 2011 and 2015.

During the truing up process, revenue gaps (i.e. surplus/shortfall in actual returns over returns entitled) are determined by the regulator and are permitted to be carried forward as regulatory assets/ regulatory liabilities, which would be recovered / refunded through future billing based on future tariff determination by the regulator. At the end of each accounting period, Company also determines regulatory assets/regulatory liabilities in respect of each accounting period on self true up basis on principles specified in accounting policy Note no.1 (d)(i) wherever regulator is yet to take up formal truing up process.

Refer Note No 16 for tariff orders received during the reporting periods that allowed the Company to recover regulatory gap determined by the regulator.

# Reliance Infrastructure Limited

## Notes to the standalone financial statements as of and for the year ended March 31, 2017

### Note 3: Property, Plant and Equipment

(₹ Crore)

Particulars	Freehold Land	Leasehold Land	Buildings	Plant and Equipment	Distribution Systems	Railway Siding	Furniture and Fixtures	Vehicles	Office Equipment	Computers	Electrical Installations	Total	Capital work in progress
<b>Net Carrying amount as on Apr 01, 2015</b>	<b>2,624.42</b>	<b>54.28</b>	<b>1,510.70</b>	<b>8,192.82</b>	<b>4,217.90</b>	<b>8.20</b>	<b>21.40</b>	<b>18.66</b>	<b>12.85</b>	<b>21.72</b>	<b>20.89</b>	<b>16,703.84</b>	<b>887.26</b>
<b>Year ended March 31, 2016</b>													
<b>Gross carrying amount</b>													
Deemed cost as at April 1, 2015	2,624.42	54.28	1,510.70	8,192.82	4,217.90	8.20	21.40	18.66	12.85	21.72	20.89	16,703.84	887.26
Additions	-	1.55	27.54	177.18	318.88	-	0.72	6.42	2.34	9.13	2.07	545.83	(718.65)
Disposals	-	-	1.68	19.64	1.35	-	0.04	1.32	0.13	0.08	0.28	24.52	
<b>Closing gross carrying amount as on March 31, 2016</b>	<b>2,624.42</b>	<b>55.83</b>	<b>1,536.56</b>	<b>8,350.36</b>	<b>4,535.43</b>	<b>8.20</b>	<b>22.08</b>	<b>23.76</b>	<b>15.06</b>	<b>30.77</b>	<b>22.68</b>	<b>17,225.15</b>	<b>168.61</b>
<b>Accumulated depreciation and impairment</b>													
Depreciation charge during the year	-	1.99	83.94	575.26	217.95	0.88	1.96	3.01	1.34	5.39	2.41	894.13	
Impairment loss				31.04								31.04	
Disposals	-	-	0.04	0.16	0.09	-	0.00	0.18	0.02	0.00	0.03	0.53	
<b>Closing accumulated depreciation and impairment as on March 31, 2016</b>	<b>-</b>	<b>1.99</b>	<b>83.90</b>	<b>606.14</b>	<b>217.86</b>	<b>0.88</b>	<b>1.96</b>	<b>2.83</b>	<b>1.32</b>	<b>5.39</b>	<b>2.38</b>	<b>924.65</b>	<b>-</b>
<b>Net carrying amount as on March 31, 2016</b>	<b>2,624.42</b>	<b>53.84</b>	<b>1,452.66</b>	<b>7,744.22</b>	<b>4,317.57</b>	<b>7.32</b>	<b>20.12</b>	<b>20.93</b>	<b>13.74</b>	<b>25.38</b>	<b>20.29</b>	<b>16,300.50</b>	<b>168.61</b>
<b>Year ended March 31, 2017</b>													
<b>Gross carrying amount</b>													
Opening gross carrying amount as at April 1, 2016	2,624.42	55.83	1,536.56	8,350.36	4,535.43	8.20	22.08	23.76	15.06	30.77	22.68	17,225.15	168.61
Additions	-	2.48	29.50	153.61	260.91	-	0.41	4.57	1.59	10.25	0.94	464.26	15.06
Disposals	-	-	-	21.23	0.49	-	0.04	1.28	0.19	0.09	0.04	23.36	
<b>Closing gross carrying amount as on March 31, 2017</b>	<b>2,624.42</b>	<b>58.31</b>	<b>1,566.06</b>	<b>8,482.74</b>	<b>4,795.85</b>	<b>8.20</b>	<b>22.45</b>	<b>27.05</b>	<b>16.46</b>	<b>40.93</b>	<b>23.58</b>	<b>17,666.05</b>	<b>183.67</b>
<b>Accumulated depreciation and impairment</b>													
Opening accumulated depreciation and impairment as at April 1, 2016	-	1.99	83.90	606.14	217.86	0.88	1.96	2.83	1.32	5.39	2.38	924.65	
Depreciation charge during the year	-	1.98	79.22	568.34	231.40	0.88	1.88	2.64	1.33	6.23	2.21	896.11	
Impairment loss													
Disposals	-	-	-	0.14	0.04	-	0.01	0.41	0.03	0.03	0.02	0.68	
<b>Closing accumulated depreciation and impairment as on March 31, 2017</b>	<b>-</b>	<b>3.97</b>	<b>163.12</b>	<b>1,174.33</b>	<b>449.21</b>	<b>1.76</b>	<b>3.83</b>	<b>5.06</b>	<b>2.62</b>	<b>11.59</b>	<b>4.57</b>	<b>1,820.08</b>	<b>-</b>
<b>Net carrying amount as on March 31, 2017</b>	<b>2,624.42</b>	<b>54.34</b>	<b>1,402.94</b>	<b>7,308.40</b>	<b>4,346.64</b>	<b>6.44</b>	<b>18.62</b>	<b>21.99</b>	<b>13.84</b>	<b>29.34</b>	<b>19.01</b>	<b>15,845.97</b>	<b>183.67</b>

Capital Work in Progress include ₹ Nil (March 31, 2016 ₹ Nil, April 01, 2015 ₹ 7.59 Crore) being borrowing cost capitalised.

**Notes to the standalone financial statements as of and for the year ended March 31, 2017**
**Notes:**
**(i) Leased assets**
**a) Asset taken on Finance Lease**

Terms of leasehold land taken

– Period of lease : 25 Years

– Renewal option : No renewal option given in the Power Purchase agreement

Terms of power purchase agreement with Vidarbha Industries Power Limited (VIPL) assessed as finance lease has resulted in the certain asset classes being disclosed as assets of the Company. The details are as follows:

Particulars			(₹ Crore)		
	April 01, 2015	March 31, 2016	March 31, 2017		
	Net carrying amount	Depreciation 2015-16	Net carrying amount	Depreciation 2016-17	Net carrying amount
Leasehold land	27.10	1.16	25.94	1.16	24.78
Buildings	440.65	18.85	421.80	18.85	402.95
Plant and machinery	3,532.71	204.03	3,328.68	204.03	3,124.65
Furniture and fixtures	1.36	0.10	1.26	0.10	1.17
Motor vehicles	1.37	0.15	1.21	0.15	1.06
Office equipments	0.97	0.07	0.90	0.07	0.83
Computers	1.27	0.25	1.02	0.25	0.77
<b>Total</b>	<b>4,005.43</b>	<b>224.61</b>	<b>3,780.82</b>	<b>224.61</b>	<b>3,556.21</b>

The group has an exclusive right to obtain the entire contracted capacity of a specified facility at all times and in turn the power so purchased is used as a distribution licensee. The price at which purchase is made is regulated at a price which is neither contractually fixed nor reflects the current market price.

**b) Lease Hold Land**

The lease period for lease hold land varies from 35 Years to 99 years. The Company considers lease hold land as financial lease as the Company has an ongoing and unhindered right to use as a distribution license holder, i.e. a legal right of having precedence over others in line with Electricity Act 2003 and relevant rules. The Regulator has to make available a replacement parcel of land in case of non-renewal of lease. In the eighty eight years history of the Company there have been extremely rare instances of alternation of such right to use of land due to perennial nature of business and consumer demand for electricity.

**(ii) Property, Plant and Equipment pledged as security (Refer Note -19 and 20)**

Particulars			(₹ Crore)	
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015	
First charge & subservient charge				
Freehold Land	1,055.82	1,055.82	1,055.82	
Buildings	465.04	500.54	509.20	
Plant and Equipment	3,832.80	4,195.16	4,355.67	
Distribution Systems	3,615.34	3,825.27	3,661.83	
Railway Siding	6.44	7.32	8.20	
Furniture and Fixtures	4.40	8.56	3.95	
Vehicles	2.26	2.85	3.29	
Office Equipment	7.79	8.89	7.06	
Computers	6.01	9.40	12.13	
Electrical Installations	8.64	10.21	8.42	
<b>Total</b>	<b>9,004.54</b>	<b>9,624.02</b>	<b>9,625.57</b>	

Further, subservient charge has been created on balance movable property plant and equipment.

**(iii) Impairment loss**

The impairment loss relates to property, plant and equipment located at Goa Power Station has been impaired to the extent of ₹ 31.04 Crore. Accordingly, provision for impairment has been made and adjusted in the Statement of Profit and Loss.

**(iv) Capital work-in-progress**

Capital work in progress as at March 31, 2017 comprises expenditure for the plant in the course of construction.

Particulars			(₹ Crore)		
	Year	Opening	Addition	Capitalisation	Closing
CWIP Movement	2016-17	168.61	484.10	469.04	183.67
CWIP Movement (Inclusive of Financial Assets & Investment Property)	2015-16	887.26	421.55	1,140.20	168.61

# Reliance Infrastructure Limited

## Notes to the standalone financial statements as of and for the year ended March 31, 2017

### 4. Investment Property:

	(₹ Crore)	
Particulars	As at March 31, 2017	As at March 31, 2016
<b>Gross Carrying Amount</b>		
Opening Gross Carrying Value	594.51	-
Additions	0.09	594.51
<b>Closing Gross Carrying Value</b>	<b>594.60</b>	594.51
<b>Accumulated Depreciation</b>		
Opening accumulated depreciation	5.09	-
Depreciation during the year	31.09	5.09
Closing accumulated Depreciation	36.18	5.09
<b>Net carrying value</b>	<b>558.42</b>	589.42

#### (i) Amounts recognised in the Statement of Profit and Loss for Investment Property

	(₹ Crore)	
Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Rental income	68.35	9.35
Direct operating expense from property that generated rental income	33.14	2.87
Direct operating expense from property that did not generate rental income	-	-
<b>Profit from Investment Property before Depreciation</b>	<b>35.21</b>	6.48
Depreciation	31.09	5.09
<b>Profit from Investment Property</b>	<b>4.12</b>	1.39

#### (ii) Contractual Obligations

The Company has no contractual obligations to purchase, construct or develop investment property. However, the responsibility for its repairs, maintenance or enhancements is with the Company.

#### (iii) Fair Value

Since the investment property is a recently constructed asset; the carrying amount is considered a reasonable approximation of fair value.

	(₹ Crore)		
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Investment properties	558.42	589.42	-

#### (iv) Pledged details:

₹ 558.42 Crore (March 31, 2016 – ₹ 589.42 Crore) pledged with Lenders of the Company (Refer Note No. 19 of Notes to Standalone Financial Statements)

#### Policy for Estimation of Fair Value

The Company obtains independent valuations for its investment properties periodically. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Company considers information from a variety of sources including:

- current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences;
- discounted cash flow projections based on reliable estimates of future cash flows; and
- capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

The fair values of investment properties will be determined by reputed third party, independent valuers.

The main inputs used are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data.

All resulting fair value estimates for investment properties are included in level 3.



Notes to the standalone financial statements as of and for the year ended March 31, 2017

5. Other Intangible Assets:

	(₹ Crore)
<b>Computer Software:</b>	
<b>Net carrying amount as on April 01, 2015</b>	<b>15.18</b>
<b>Year ended March 31, 2016</b>	
<b>Gross carrying amount</b>	
Deemed cost as at April 01, 2015	15.18
Additions	0.61
Disposals	-
<b>Closing gross carrying amount as on March 31, 2016</b>	<b>15.79</b>
<b>Accumulated amortisation and impairment</b>	
Amortisation charge for the year	3.66
Disposals	-
<b>Closing accumulated amortisation and impairment as on March 31, 2016</b>	<b>3.66</b>
<b>Net carrying amount as on March 31, 2016</b>	<b>12.13</b>
<b>Year ended March 31, 2017</b>	
<b>Gross carrying amount</b>	
Opening gross carrying amount	15.79
Additions	4.79
Disposals	-
<b>Closing gross carrying amount as on March 31, 2017</b>	<b>20.58</b>
<b>Accumulated amortisation and impairment</b>	
Opening accumulated amortisation and impairment	3.66
Amortisation charge for the year	3.23
Disposals	-
<b>Closing accumulated amortisation and impairment as on March 31, 2017</b>	<b>6.89</b>
<b>Net carrying amount as on March 31, 2017</b>	<b>13.69</b>

**Note:**

- (1) The above Intangible Assets are other than internally generated.
- (2) Remaining amortisation period of computer software is between 1 to 2 years.
- (3) Disclosure of carrying value of Intangible Assets as at April 01, 2015

	(₹ Crore)
<b>Sr. No.</b>	<b>Particulars</b>
	<b>As at April 01, 2015</b>
1	Gross Block 108.55
2	Accumulated Amortisation 53.73
3	Impairment Loss 39.64
4	Deemed cost considered on April 01, 2015 15.18

₹ 4.09 Crore (March 31, 2016 – ₹ 5.41 Crore and April 01, 2015 – ₹ 6.62 Crore) is pledged with the Lenders (Refer Note No 19).

# Reliance Infrastructure Limited

## Notes to the standalone financial statements as of and for the year ended March 31, 2017

### 6. Inventories:

(₹ Crore)			
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Fuel (including in transit and with third party ₹ 4.64 Crore (March 31, 2016 - ₹ 23.04 Crore, April 01, 2015 - ₹ 73.33 Crore ))	184.58	325.19	289.41
Stores and Spares (These Inventories are given as security to the Lenders - Refer Note No 20).	122.66	99.77	97.21
<b>Total</b>	<b>307.24</b>	<b>424.96</b>	<b>386.62</b>
(Inventories are stated at lower of cost and net realisable value.)			

### Note 7: Financial assets

#### 7(a) Non-current investments

(₹ Crore)							
Particulars	Face value in ₹ unless otherwise specified	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
		Number of shares / units	Amount	Number of shares / units	Amount	Number of shares / units	Amount
<b>Investment in Equity Instruments (fully paid-up unless specified) In Subsidiary Companies at cost Unquoted</b>							
BSES Rajdhani Power Limited^	10	530400000	530.40	299764706	299.76	299764706	299.76
BSES Yamuna Power Limited^	10	283559995	283.56	160258824	160.26	160258824	160.26
BSES Kerala Power Limited^(Refer Note No 50)	10	62760000	82.81	127760000	147.81	127760000	147.81
Reliance Power Transmission Limited	10	50000	19.19	50000	19.19	50000	19.19
Parbati Koldam Transmission Company Limited^	10	201899380	202.08	201899380	202.08	201899380	202.08
Mumbai Metro One Private Limited****	10	353280000	761.45	353280000	761.45	353280000	1,025.88
Mumbai Metro Transport Private Limited	10	24000	0.02	24000	0.02	24000	0.02
Delhi Airport Metro Express Private Limited	10	3000	0.39	3000	0.39	3000	0.39
Tamil Nadu Industries Captive Power Company Limited	10	23000000	-	23000000	-	23000000	-
(₹ 5.35 per share Paid up)							
Reliance Sea Link One Private Limited	10	10000	0.77	10000	0.77	10000	0.77
PS Toll Road Private Limited^#	10	7936	5.61	7936	5.61	7936	3.96
KM Toll Road Private Limited#	10	3409000	34.00	3409000	34.00	3409000	34.00
HK Toll Road Private Limited#	10	3711000	37.26	3711000	37.26	3711000	37.26
DA Toll Road Private Limited^#	10	9018000	91.43	9018000	91.43	9018000	91.43
Nanded Airport Private Limited*	10	741308	7.39	741308	7.39	741308	7.39
Baramati Airport Private Limited*	10	554712	5.52	554712	5.52	554712	5.52
Latur Airport Private Limited*	10	215287	2.13	215287	2.13	215287	2.13
Yavatmal Airport Private Limited*	10	87107	0.85	87107	0.85	87107	0.85
Osmanabad Airport Private Limited*	10	207120	2.05	207120	2.05	207120	2.05
Reliance Airport Developers Private Limited	10	7139665	71.31	7139665	71.31	7139665	71.31
CBD Tower Private Limited	10	169490260	169.49	169490260	169.49	169490260	169.49

Notes to the standalone financial statements as of and for the year ended March 31, 2017

Particulars	Face value in ₹ unless otherwise specified	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
		Number of shares / units	Amount	Number of shares / units	Amount	Number of shares / units	Amount
Reliance Energy Trading Limited (Refer Note No 50)	10	2000000	2.00	20650000	30.55	20650000	30.55
Reliance Cement Corporation Private Limited	10	130000	0.13	130000	0.13	130000	0.13
Reliance Electric Generation and Supply Private Limited (Formerly known as Tulip Realtech Private Limited)	10	50000	0.05	50000	0.05	50000	0.05
Utility Infrastructure & Works Private Limited	10	694000	6.85	694000	6.85	694000	6.85
Reliance Defence Systems Private Limited	10	-	-	-	-	10000	0.01
Reliance Defence Technologies Private Limited	10	-	-	-	-	10000	0.01
Reliance Defence and Aerospace Private Limited	10	-	-	-	-	10000	0.01
Reliance Defence Limited	10	50000	0.05	50000	0.05	49994	0.05
Reliance Smart Cities Limited	10	50000	0.05	50000	0.05	-	-
Reliance E-Generation and Management Private Limited	10	10000	0.01	10000	0.01	-	-
Reliance Energy Limited	10	50000	0.05	50000	0.05	-	-
Reliance Infra Solution Private Limited**	10	10000	0.01	-	-	-	-
Western Transmission (Gujarat) Limited**	10	50000	0.05	-	-	-	-
Western Transco Power Limited **	10	50000	0.05	-	-	-	-
Reliance Cruise and Terminals Limited **	10	50000	0.05	-	-	-	-
(formerly known as Reliance Defence Ventures Limited)							
Jayamkondam Power Limited (formerly known as Globtech Advisory Services Limited) @ ₹ 1. \$\$	10	-	-	409795	@	409795	@
<b>In Associate Companies measured at cost</b>							
<b>Quoted</b>							
Reliance Power Limited ^#	10	1211998193	6,828.42	1211998193	6,828.42	1183998193	6,689.59
<b>Unquoted</b>							
Metro One Operation Private Limited @ Cost ₹ 30,000	10	3000	@	3000	@	3000	@
Reliance Geo Thermal Power Private Limited @ Cost ₹ 25,000	10	2500	@	2500	@	2500	@
RPL Sun Technique Private Limited\$	10	5000	0.01	-	-	-	-
RPL Photon Private Limited\$	10	5000	0.01	-	-	-	-
RPL Sun Power Private Limited\$	10	5000	0.01	-	-	-	-
<b>In Joint Venture Company measured at cost</b>							
<b>Unquoted</b>							
Utility Powertech Limited	10	792000	0.40	792000	0.40	792000	0.40

# Reliance Infrastructure Limited

## Notes to the standalone financial statements as of and for the year ended March 31, 2017

(₹ Crore)							
Particulars	Face value in ₹ unless otherwise specified	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
		Number of shares / units	Amount	Number of shares / units	Amount	Number of shares / units	Amount
<b>In Others at FVTPL</b>							
<b>Unquoted</b>							
Urthing Sobla Hydro Power Private Limited @ ₹ 20000	10	2000	@	2000	@	2000	@
Western Electricity Supply Company of Odisha Limited (WESCO) @ ₹ 1000	10	100	@	100	@	100	@
North Eastern Electricity Supply Company of Odisha Limited (NESCO) @ ₹ 1000	10	100	@	100	@	100	@
Southern Electricity Supply Company of Odisha Limited(SOUTHCO) @ ₹ 1000	10	100	@	100	@	100	@
Crest Logistics and Engineers Private Limited	10	409795	0.41	409795	0.41	409795	0.41
Indian Energy Exchange Limited	10	-	-	1250000	25.89	1250000	23.97
Rampia Coal Mine and Energy Private Limited	1	27229539	2.72	24348016	2.43	24348016	2.43
Reliance Infra Projects International Limited	USD 1	10000	0.04	10000	0.04	10000	0.04
Larimar Holdings Limited @ ₹ 4909	USD 1	111	@	111	@	111	@
Indian Highways Management Company Limited	10	555370	0.56	555370	0.56	555370	0.56
Jayamkondam Power Limited (formerly known as Globtech Advisory Services Limited) @ ₹ 1.	10	409795	@	-	-	-	-
Nationwide Communication Private Limited @ ₹ 4000	10	400	@	-	-	-	-
<b>Total</b>			<b>9,149.64</b>		<b>8,914.66</b>		<b>9,036.61</b>
Investment in Preference Shares (fully paid-up) at FVTPL							
In Subsidiary Company - Unquoted							
10% Non-Convertible Non-Cumulative Redeemable Preference Shares in Jayamkondam Power Limited (formerly known as Globtech Advisory Services Limited) @ ₹ 1 \$	1	-	-	10950000	@	10950000	@
<b>In Others - Unquoted</b>							
Non-Convertible Redeemable Preference Shares in Reliance Infra Projects International Limited	USD 1	360000	636.37	360000	577.92	360000	484.44
10% Non-Cumulative Non-Convertible Redeemable Preference Shares in Crest Logistics and Engineers Private Limited	1	10950000	317.45	10950000	273.67	10950000	235.82
6% Non-Cumulative Non-Convertible Redeemable Preference Shares in Crest Logistics and Engineers Private Limited @ ₹ 20,000	10	2000	@	2000	@	2000	@

Notes to the standalone financial statements as of and for the year ended March 31, 2017

Particulars	Face value in ₹ unless otherwise specified	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
		Number of shares / units	Amount	Number of shares / units	Amount	Number of shares / units	Amount
10% Non-Convertible Non-Cumulative Redeemable Preference Shares in Jayamkondam Power Limited (formerly known as Globtech Advisory Services Limited) @ ₹ 1	1	10950000	@	-	-	-	-
10% Non-convertible, Non-cumulative Redeemable Preference Shares (Series D) in Crest Logistic and Engineers Private Limited	10	3000000	348.99	3000000	300.86	3000000000	259.25
<b>Total</b>			<b>1,302.81</b>		<b>1152.45</b>		<b>979.51</b>
<b>Investment in Government or Trust Securities at amortised Cost</b>							
<b>Quoted</b>							
<b>Contingencies Reserve Investments</b>							
7.46% Central Government of India	100	500000	4.98	500000	5.02	500000	5.06
8.12% Central Government of India	100	7500000	77.99	7500000	76.35	7500000	76.25
8.27% Central Government of India	100	1500000	15.40	1500000	15.29	1500000	15.27
7.68% Central Government of India	100	1500000	15.22	1500000	15.21	-	-
7.68% Central Government of India	100	1300000	13.69	-	-	-	-
<b>Total</b>			<b>127.28</b>		<b>111.87</b>		<b>96.58</b>
<b>Investment in Debentures (fully paid-up) at FVTPL</b>							
<b>Unquoted</b>							
10.50% Unsecured Redeemable Non-Convertible Debentures in Crest Logistics and Engineers Private Limited	100	100000000	414.69	100000000	363.76	100000000	411.05
10.50% Unsecured Redeemable Non-Convertible Debentures in Crest Logistics and Engineers Private Limited	100	120000000	471.37	120000000	413.48	120000000	473.06
<b>Total</b>			<b>886.06</b>		<b>777.24</b>		<b>884.11</b>
<b>Other Investments</b>							
<b>Equity instruments in subsidiaries at Cost (unless otherwise specified)</b>							
<b>Unquoted</b>							
DS Toll Road Limited			46.80		46.80		46.80
NK Toll Road Limited			58.27		196.99		196.99
DA Toll Road Private Limited			444.91		287.66		260.29
HK Toll Road Private Limited			300.26		290.06		259.26
KM Toll Road Private Limited			379.35		340.25		236.23
Delhi Airport Metro Express Private Limited			708.19		429.09		425.89
PS Toll Road Private Limited			1,087.19		837.19		769.48
Reliance Cement Company Private Limited			-		-		109.50
Mumbai Metro Transport Private Limited			0.53		0.53		0.53
Reliance Power Transmission Limited			54.63		54.63		54.33
Latur Airport Private Limited			0.10		0.07		0.05
Nanded Airport Private Limited			3.18		2.46		1.60
Yavatmal Airport Private Limited			0.16		0.12		0.07

# Reliance Infrastructure Limited

## Notes to the standalone financial statements as of and for the year ended March 31, 2017

(₹ Crore)

Particulars	Face value in ₹ unless otherwise specified	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
		Number of shares / units	Amount	Number of shares / units	Amount	Number of shares / units	Amount
Reliance Airport Developers Private Limited			12.08		9.65		4.84
Reliance Defence System Private Limited			1,509.49		1,492.38		-
Reliance Defence Limited			54.34		32.80		-
GF Toll Road Private Limited			60.20		-		99.59
JR Toll Road Private Limited			133.03		110.93		90.43
TK Toll Road Private Limited			171.27		152.27		137.77
TD Toll Road Private Limited			15.25		14.25		13.75
Baramati Airport Private Limited			0.73		0.71		0.01
Osmanabad Airport Private Limited			0.13		0.09		0.04
<b>Debt instruments in subsidiary at amortised Cost (unless otherwise specified)</b>							
<b>Unquoted</b>							
Mumbai Metro One Private Limited (at amortised cost)			133.83		125.80		115.22
<b>Total</b>			5,173.92		4,424.73		2,822.67
Less: Diminution in the value of Investments @ ₹ 3,000/-			@		@		@
Total Non Current Investments			16,639.71		15,380.95		13,819.48
			Book Value		Book Value		Book Value
		Market Value		Market Value		Market Value	
Aggregate amount of quoted investments		5,957.81	6,955.70	6,099.35	6,940.29	6,786.17	6,786.17
Aggregate amount of unquoted investments		-	9,684.01	-	8,440.66	-	7,033.31
Aggregate amount of impairment in the value of investments (@ 3,000)			@		@		@

\* The Balance equity stake is held by another subsidiary Reliance Airport Developers Private Limited

\*\* Subsidiary relationship during the year

\*\*\*\* 26,11,20,000 equity shares are in safe keep accounts.

\*\*\*\*\* 3,68,245 equity shares are in safe keep accounts

^ 31,20,00,000 (March 31, 2016: 29,97,64,706, April 01, 2015: 29,97,64,706) shares of BSES Rajdhani Power Limited, 16,68,00,000 (March 31, 2016: 16,02,58,824, April 01, 2015: 16,02,58,824) shares of BSES Yamuna Power Limited, 5,470 ( March 31, 2016: 5,470, For April 01, 2015: 5,470) shares of PS Toll Road Private Limited, 13,91,46,870 (March 31, 2016: 13,91,46,870, April 01, 2015: 13,91,46,870) shares of Parbati Koldam Transmission Company Limited,

11,20,00,000 (-) shares of Reliance Power Limited and

1,88,28,000 (-) shares of BSES Kerala Power Limited are pledged with the Lenders of the respective investee Company.

# 45,99,180 (March 31, 2016: 44,18,819, April 01, 2015: Nil) shares of DA Toll Road Private Limited,

2,465 ( March 31, 2016: Nil, For April 01, 2015: Nil) shares of PS Toll Road Private Limited,

10,22,700 (March 31, 2016: 16,70,410, April 01, 2015: Nil) shares of KM Toll Road Private Limited,

11,13,300 (March 31, 2016: 18,18,390, April 01, 2015: Nil) shares of HK Toll Road Private Limited and

62,75,20,433 (March 31, 2016: 62,65,20,433, April 01, 2015: 44,42,22,318) shares of Reliance Power Limited

are pledged with the Lenders of the Company.

\$ associate relationship during the year

\$\$ ceased to be a subsidiary of the Company during the year

The list of investment in subsidiary, joint ventures and associates along with proportion of ownership interest held and country of incorporation are disclosed in Note No 43 of Consolidated Financial Statement.



**Notes to the standalone financial statements as of and for the year ended March 31, 2017**
**7(b) Current investments**
**(₹ Crore)**

	Face value in ₹ unless otherwise stated	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
		Number of shares / units	Amount	Number of shares / units	Amount	Number of shares / units	Amount
<b>Investment in Mutual Funds Units at FVTPL Quoted</b>							
SBI Premiere Liquid Fund – Direct – Growth	1000	48318	12.33	116981	27.85	546507	120.18
Reliance Liquid Fund – Treasury Plan – Direct – Growth Option	1000	150930	59.88	238110	87.98	352448	120.23
Reliance Liquid Fund – Treasury Plan – Direct – Daily Dividend	1000	44696	6.83	13763	2.10	16057	5.47
Taurus Liquid Mutual Fund – Direct Plan – Growth	1000	281	0.05	184443	30.29	-	-
JM Liquidity Fund – Growth Option – Direct	10	18127896	80.69	18127896	75.12	-	-
Indiabull Liquid Fund – Direct plan – Growth	10	581841	92.45	-	-	-	-
<b>Total</b>			252.23		223.34		245.88
		Market Value	Book Value	Market Value	Book Value	Market Value	Book Value
Aggregate amount of quoted investments		252.23	252.23	223.34	223.34	245.88	245.88
Aggregate amount of unquoted investments		-	-	-	-	-	-
Aggregate amount of impairment in the value of investments		-	-	-	-	-	-

**Financial Assets:**
**8. Trade Receivables:**
**(₹ Crore)**

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Considered good including Retentions on Contract	5,100.04	-	4,992.32	267.83	6,026.82	827.16
Considered doubtful	78.39	-	69.67	-	75.72	-
	5,178.43	-	5,061.99	267.83	6,102.54	827.16
Less: Provision for Doubtful Debts	78.39	-	69.67	-	75.72	-
<b>Total</b>	<b>5,100.04</b>	<b>-</b>	<b>4,992.32</b>	<b>267.83</b>	<b>6,026.82</b>	<b>827.16</b>

Company holds security deposits of ₹ 354.39 Crore (March 31, 2016 – ₹ 331.50 Crore, April 01, 2015 – ₹ 301.83 Crore) in respect of power business debtors. (These Trade Receivables are given as security to the Lenders – Refer Note No 19 and 20).

**9. Service Concession Receivable:**
**(₹ Crore)**

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Opening balance	1,382.26	1,291.51	1,431.15
Accrued interest	150.39	140.52	155.71
Scheduled Repayments	202.01	182.95	180.85
Additions during the year	-	248.00	-
Unrecovered financial assets	114.50	114.82	114.50
Closing balance	1,216.14	1,382.26	1,291.51
Non-current	928.38	1,094.50	1,003.75
Current	287.76	287.76	287.76

Finance receivables comprise of amounts receivable with respect to concession agreements where the demand risk falls on the grantor or amounts that are guaranteed to the Company contractually under the concession agreements.

# Reliance Infrastructure Limited

## Notes to the standalone financial statements as of and for the year ended March 31, 2017

### Service Concession Arrangements - main features

Name of the entity	Description of the arrangement	Significant terms of the arrangement	Financial Asset
Western Region Transmission (Maharashtra) (WRTM) Division and Western Region Transmission (Gujarat) (WRTG) Division	Build, own and operate (BOO) basis nine transmission lines of 3,064 circuit km length i.e. six lines with length of 2,090 circuit km to be executed by WRTM Division and three lines with length of 974 circuit km WRTG Division	Period of concession: 2011–2037	March 31, 2017
		Remuneration: Annual fixed charges payment and variable charges	₹ 1,140.60 Crore
		Investment grant from concession grantor : No	March 31, 2016
		Infrastructure return at the end of concession period : No	₹ 1,210.87 Crore
		Investment and renewal obligations : Nil	April 01, 2015
		Re–pricing dates : Yearly	₹ 1,033.38 Crore
		Basis upon which re–pricing or re–negotiation is determined : Inflation	
		Premium payable to grantor : Nil	
Samalkot Power Station Division	Samalkot Power Station operates the 220 MW combined cycle power plant at Samalkot in the State of Telangana. The 220 MW plant uses natural gas, as the primary fuel and naphtha/high speed diesel as the secondary fuel and sells the power to AP Transco.	Period of concession: 2008 – 2017	March 31, 2017
		Remuneration: Annual fixed charges payment and variable charges	₹ 75.54 Crore
		Investment grant from concession grantor : Yes	March 31, 2016
		Infrastructure return at the end of concession period : Yes	₹ 171.40 Crore
		Investment and renewal obligations : Nil	April 01, 2015
		Re–pricing dates : Yearly	₹ 258.13 Crore
		Basis upon which re–pricing or re–negotiation is determined : Inflation	
		Premium payable to grantor : Nil	
		<b>Total as at March 31, 2017</b>	<b>₹ 1,216.14 Crore</b>
		Total as at March 31, 2016	₹ 1,382.26 Crore
		Total as at April 01, 2015	₹ 1,291.51 Crore

### 10. Cash and Cash Equivalents:

Particulars	(₹ Crore)		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Balances with Banks in			
Current Accounts	86.81	120.32	60.93
Bank Deposits with original maturity of less than 3 months	49.82	10.31	31.07
Unpaid Dividend Account	14.32	13.32	12.55
Cheques and drafts on hand	0.22	30.03	0.08
Cash on hand	3.67	4.81	4.68
<b>Total</b>	<b>154.84</b>	<b>178.79</b>	<b>109.31</b>

### 11. Bank Balances other than Cash and Cash Equivalents:

Particulars	(₹ Crore)		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Bank Deposits with Original Maturity of more than 3 months but less than 12 months	91.78	77.31	36.32
<b>Total</b>	<b>91.78</b>	<b>77.31</b>	<b>36.32</b>

#### Restricted Cash and Cash Balances:

The Company is required to keep restricted cash for

- issuing the Bank Guarantee for Sales-tax department
- Escrow accounts,

**Notes to the standalone financial statements as of and for the year ended March 31, 2017**

details of which are given below:

Particulars	(₹ Crore)		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Bank Deposits – with original maturity of less than 3 months	@	0.02	0.02
Unpaid dividend	14.32	13.32	12.55
Escrow account	7.45	14.76	2.29
<b>Total</b>	<b>21.77</b>	<b>28.10</b>	<b>14.86</b>

@ is ₹ 47,290

**12. Loans:**

Particulars	(₹ Crore)		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
(Unsecured, Considered good unless otherwise stated)			
Loans – Intercompany Deposits to Related Parties (Refer Note No 36)	2,120.22	1,002.79	778.51
Others	11,961.69	12,327.06	8,636.62
	14,081.91	13,329.85	9,415.13
Less: Provision for Expected Credit Loss	2,619.57	2,600.37	2,159.16
<b>Total</b>	<b>11,462.34</b>	<b>10,729.48</b>	<b>7,255.97</b>

**13. Other Financial Assets:**

Particulars	(₹ Crore)					
	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
(Unsecured, Considered good unless otherwise stated)						
Security Deposits						
Considered good	82.88	49.25	41.45	98.10	20.47	94.34
Considered doubtful	-	17.78	-	14.65	-	15.30
Fixed Deposit with Banks with maturity of more than 12 months	-	-	-	35.00	-	57.46
Interest Receivable (includes Secured of ₹ 0.59 Crore (March 31, 2016 – ₹ 0.75 Crore, April 01, 2015 – ₹ 0.70 Crore)	483.09	-	55.22	-	68.52	-
Derivative Financial Instruments (Net)	0.02	-	11.68	-	10.38	-
Advances due from Customers for Contract work	328.64	-	441.69	-	453.40	-
Other Receivables (Refer Note No 15 & 16)	908.79	56.92	112.05	53.66	517.48	50.93
Less: Provision for diminution in value of deposits	-	17.78	-	14.65	-	15.30
<b>Total</b>	<b>1,803.42</b>	<b>106.17</b>	<b>662.09</b>	<b>186.76</b>	<b>1,070.25</b>	<b>202.73</b>

**14. Other Assets:**

Particulars	(₹ Crore)					
	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Advances to Vendors	480.29	323.35	604.57	917.41	983.29	328.18
Capital Advances	-	6.16	-	18.81	-	12.70
Advances recoverable in cash or in kind or for value to be received	207.26	-	252.12	-	204.42	-
Income-tax Refund Receivable	61.05	-	3.64	-	3.64	-
Prepaid Expenses	-	3.07	-	1.03	-	0.96
<b>Total</b>	<b>748.60</b>	<b>332.58</b>	<b>860.33</b>	<b>937.25</b>	<b>1,191.35</b>	<b>341.84</b>

# Reliance Infrastructure Limited

## Notes to the standalone financial statements as of and for the year ended March 31, 2017

### 15. Non-Current Assets classified as held for Sale:

							(₹ Crore)
Particulars	Face value in ₹ unless otherwise stated	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
		Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
Equity Investment in Subsidiaries							
SU Toll Road Private Limited	10	18,412,260	208.03	9,022,008	104.02	9,022,008	104.02
TD Toll Road Private Limited	10	10,744,920	105.31	5,265,012	52.66	5,265,012	52.66
TK Toll Road Private Limited	10	12,755,650	143.54	6,250,268	71.76	6,250,268	71.77
DS Toll Road Limited	10	5,210,000	5.21	5,210,000	5.21	5,210,000	5.21
NK Toll Road Limited	10	4,477,000	4.48	4,477,000	4.48	4,477,000	4.48
GF Toll Road Private Limited	10	1,961,100	195.12	1,961,100	195.12	1,961,100	195.12
JR Toll Road Private Limited	10	10,703	0.01	5,138	0.01	5,138	0.01
Reliance Cement Company Private Limited	10	-	-	312,823,000	2,423.01	127,566,591	978.01
Total			661.70		2,856.27		1,411.28

During the year ended March 31, 2017 Reliance Infrastructure Invit Fund (Fund) has been formed as a Trust to invest in infrastructure assets primarily being the toll road assets. The Company is a Sponsor / project manager to the Fund. Pursuant to this, the Company has proposed to transfer the controlling interest in seven Toll Road Companies viz, DS Toll Road Limited, GF Toll Road Private Limited, NK Toll Road Limited, JR Toll Road Private Limited, SU Toll Road Private Limited, TK Toll Road Private Limited and TD Toll Road Private Limited. During the year ended March 31, 2016, the Company had signed share purchase agreement with Birla Corporation Limited (BCL) for sale of its entire investment in wholly owned subsidiary Reliance Cement Company Private Limited (RCCPL). During the year ended March 31, 2017, the entire holding has been sold to BCL at a consideration of ₹ 2,269.06 Crore out of which an amount of ₹ 2,010 Crore has been received during the current year and the balance amount of ₹ 259.06 Crore receivable from BCL, has been included in Other Current Financial Assets as Other Receivables. The loss on sale of this investment of ₹153.33 Crore has been shown as an exceptional item in the Statement of Profit and Loss.

#### Assets pledged details

26,57,100 (March 31, 2016: 26,57,100, April 01, 2015: 26,57,100) shares of DS Toll Road Limited,  
5,470 (March 31, 2016: 5,470, April 01, 2015: 5,470) shares of PS Toll Road Private Limited,  
22,83,270 (March 31, 2016: 22,83,270, April 01, 2015: 22,83,270) shares of NK Toll Road Limited,  
90,22,007 (March 31, 2016: 90,22,007, April 01, 2015: 90,22,007) shares of SU Toll Road Private Limited  
are pledged with the Lenders of the respective investee Company.

15,63,000 (March 31, 2016: Nil, April 01, 2015: Nil) shares of DS Toll Road Limited,  
2,465 (March 31, 2016: Nil, April 01, 2015: Nil) shares of PS Toll Road Private Limited,  
13,43,100 (March 31, 2016: Nil, April 01, 2015: Nil) shares of NK Toll Road Limited,  
55,23,678 (March 31, 2016: Nil, April 01, 2015: Nil) shares of SU Toll Road Private Limited  
5,88,330 (March 31, 2016: 9,60,939, April 01, 2015: Nil) shares of GF Toll Road Private Limited  
5,245 (March 31, 2016: Nil, April 01, 2015: Nil) shares of JR Toll Road Private Limited  
32,23,476 (March 31, 2016: Nil, April 01, 2015: Nil) shares of TD Toll Road Private Limited  
38,26,695 (March 31, 2016: Nil, April 01, 2015: Nil) shares of TK Toll Road Private Limited  
Nil (March 31, 2016: 8,53,34,926, April 01, 2015: Nil) shares of Reliance Cement Company Private Limited  
are pledged with the Lenders of the Company.

**Notes to the standalone financial statements as of and for the year ended March 31, 2017**
**16. Regulatory Deferral Account Balance:**
**Regulatory Assets / (Liability)**

In accordance with accounting policy (Refer Note 1(d)(i)) and in accordance with the Guidance Note on Rate Regulated Activities issued by ICAI, the reconciliation of the Regulatory Assets / (Liabilities) of Mumbai Distribution and Mumbai Transmission division as on March 31, 2017 is as under:

							(₹ Crore)
Sr. No.	Particulars	Mumbai Distribution	Mumbai Transmission	Total as at March 31, 2017	Mumbai Distribution	Mumbai Transmission	Total as at March 31, 2016
I	Regulatory Assets / (Liability)						
A	Opening Balance	2,446.78	86.69	2,533.47	2,897.54	22.04	2,919.58
B	Add : Income recoverable/ (reversible) from future tariff / Revenue Gap for the year						
1	For Current Year	250.07	11.52	261.59	408.67	(37.03)	371.64
2	For Earlier Year	467.76	-	467.76	15.33	-	15.33
3	Regulatory assets recoverable on account of Deferred Tax on Depreciation difference	20.40	6.19	26.59	26.81	13.64	40.45
	Total a (1+2+3)	738.23	17.71	755.94	450.81	(23.39)	427.42
C	Recovered / (refunded) during the year	1,369.55*	(37.03)	1,332.52	901.57	(88.04)	813.53
D	Net Movement during the year (B-C)	(631.32)	54.74	(576.58)	(450.76)	64.65	(386.11)
E	<b>Closing Balance (A-D)</b>	<b>1,815.46</b>	<b>141.43</b>	<b>1,956.89</b>	<b>2,446.78</b>	<b>86.69</b>	<b>2,533.47</b>
II	Deferred Tax (Assets) / Liability associated with Regulatory Assets / (Liability)						
	Opening Balance	399.68	(12.82)	386.86	384.06	(30.47)	353.59
	Add: Deferred Tax (Assets) / Liabilities During the Year	(230.58)	16.81	(213.77)	15.62	17.65	33.27
	Total deferred Tax (Assets) / Liability associated with regulatory Assets / (Liability)	169.10	3.99	173.09	399.68	(12.82)	386.86
	Less: Recoverable from future Tariff	169.10	3.99	173.09	399.68	(12.82)	386.86
	Closing Balance	-	-	-	-	-	-
III	<b>Balance as at the end of the year (I+II)</b>	<b>1,815.46</b>	<b>141.43</b>	<b>1,956.89</b>	<b>2,446.78</b>	<b>86.69</b>	<b>2,533.47</b>

Regulatory Assets of ₹ 1,102.13 Crore as at March 31, 2017, ₹ 1,470.14 Crore as at March 31, 2016 and ₹ 1,849.41 Crore as at April 01, 2015 have been given as Security to the Lenders.

- \* includes ₹ 739.61 Crore recoverable from Vidarbha Industries Power Limited (VIPL) as per MERC Order dated June 20, 2016 in the matter of petition of VIPL for truing up for FY 2014-15 and provisional truing up for FY 2015-16 and also MERC Order dated October 21, 2016 in the matter of petition of the Company for True-up for the year 2014-15 and provisional Truing up for the year 2015-16. Out of this amount, VIPL has paid ₹ 213.50 Crore till March 31, 2017 and the balance amount of ₹ 526.11 Crore recoverable from VIPL is included in Other Current financial assets as Other Receivables.
- From April 01, 2012 till March 31, 2016 (2nd Multi Year Tariff (MYT) control period) and from April 01, 2016 till March 31, 2020 (3rd MYT control period), determination of Retail Supply Tariff (RST) / Transmission charges chargeable by the Company to its consumers is governed by MERC (MYT) Regulations 2011 and MERC (MYT Regulations) 2015, whereby MERC is required to determine the RST and Transmission charges in a manner that the Company recovers its power purchase costs as well as other prudently incurred expenses and earns assured return of 15.5% p.a. on MERC approved equity in Distribution Wires Business and Transmission Business and 17.5% p.a. on MERC approved equity in Retail Supply Business, subject to achievement of Plant Load Factor of 85% , transmission availability of 98% and Aggregate Technical and Commercial (AT&C) loss reduction targets respectively. The rate review or "truing up" process during the MYT period is being conducted as per the principles stated in MYT Regulations 2011 and 2015.

# Reliance Infrastructure Limited

## Notes to the standalone financial statements as of and for the year ended March 31, 2017

- c. During the truing up process, revenue gaps (i.e. surplus/shortfall in actual returns over returns entitled) are determined by the regulator and are permitted to be carried forward as regulatory assets/ regulatory liabilities which would be recovered / refunded through future billing based on future tariff determination by the regulator. At the end of each accounting period, Company also determines regulatory assets/regulatory liabilities in respect of each accounting period on self true up basis on principles specified in accounting policy Note no. 1 (d)(i) wherever regulator is yet to take up formal truing up process.
- d. During the year ended March 31, 2014, the Company had received tariff order from MERC allowing it to recover the regulatory gap determined by the regulator for the period upto March 31, 2012, aggregating to ₹ 2,463.18 Crore along with carrying cost of ₹ 1,403.65 Crore on smoothened recovery basis over a period of 6 years till FY 2018-19. The Company has apportioned an amount of ₹ 461.02 Crore towards carrying cost out of the total recovery during the year ended March 31, 2017 of ₹ 829.03 Crore under the said order.
- e. MERC, vide its Orders dated June 22, 2016, August 18, 2016 and October 21, 2016, has trued up revenue gap for period upto 31st March 2015 for Mumbai Transmission Business, Generation Business and Distribution Business respectively with certain dis-allowances. MERC has also approved tariffs in respect of Distribution Business for the year 2016-17 w.e.f. October 01, 2016 by its Tariff Order dated October 21, 2016.
- f. During the year MERC vide its Order dated October 21, 2016 in respect of the Mumbai Distribution Business, trued up the revenue gap for the year 2014-15 wherein additional revenue gap of ₹ 250.78 Crore was allowed to the Company. Similarly in the same Order MERC also allowed an additional amount of ₹ 285.16 Crore giving effect to the order of the Appellate Tribunal in respect of certain disallowances made by the MERC for the years 2003-04 to 2011-12. MERC also gave additional revenue gap of ₹ 64.22 Crore in respect of case no 69 of 2013 for the years 2011-12 & 2012-13 effect of which was inadvertently not considered by MERC in the True Up Order for the year 2013-14. Revenue Gap in respect of Generation Business of ₹ 132.40 Crore for the years 2009-10, 2010-11 and 2011-12 was reversed during the year. The above amounted to an aggregate revenue gap of ₹ 467.76 Crore which has been accounted as regulatory income during the year ended March 31, 2017.
- g. In accordance with the MERC tariff regulation for determination of tariff, the income-tax paid is considered for tariff determination (truing up). Accordingly, the Company has considered ₹ 26.59 Crore (₹ 40.45 Crore) of deferred tax liability for the year arising out of differences in rates of depreciation between MERC and income-tax as "Regulatory assets recoverable on account of Deferred Tax on Depreciation difference". Similarly, the deferred tax liability / (asset) of (₹ 213.78 Crore) (March 31, 2016 - ₹ 33.27 Crore) on account of timing difference on taxability of regulatory income accounted in the books is treated as "Net tax recoverable from future tariff determination".

## 17. Share Capital

Particulars	(₹ Crore)		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>Authorised</b>			
45,00,60,000 (45,00,60,000) Equity Shares of ₹ 10 each	<b>450.06</b>	450.06	450.06
80,00,000 (80,00,000) Equity Shares of ₹ 10 each with differential rights	<b>8.00</b>	8.00	8.00
155,00,00,000 (155,00,00,000) Redeemable Preference Shares of ₹ 10 each	<b>1,550.00</b>	1,550.00	1,550.00
4,20,00,000 (4,20,00,000) Unclassified Shares of ₹ 10 each	<b>42.00</b>	42.00	42.00
	<b>2,050.06</b>	2,050.06	2,050.06
<b>Issued</b>			
26,53,92,065 (26,53,92,065) Equity Shares of ₹ 10 each	<b>265.40</b>	265.40	265.40
	<b>265.40</b>	265.40	265.40
<b>Subscribed and fully paid-up</b>			
26,29,90,000 (26,29,90,000) Equity Shares of ₹ 10 each fully paid up	<b>262.99</b>	262.99	262.99
Add: 3,54,479 (3,54,479) Forfeited Shares - Amounts originally paid up	<b>0.04</b>	0.04	0.04
	<b><u>263.03</u></b>	<b><u>263.03</u></b>	<b><u>263.03</u></b>

### (a) Shares Pledged Details:

Sr. No.	Particulars	(₹ Crore)		
		As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
1	No of Shares Pledged by Promoter Group Companies	<b>8,33,64,675</b>	7,23,64,675	3,90,00,000



**Notes to the standalone financial statements as of and for the year ended March 31, 2017**
**(b) Reconciliation of the Shares outstanding at the beginning and at the end of the year:**

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	No. of Shares	(₹ Crore)	No. of Shares	(₹ Crore)	No. of Shares	(₹ Crore)
Equity Shares:-						
At the beginning of the year	26,29,90,000	262.99	26,29,90,000	262.99	26,29,90,000	262.99
Outstanding at the end of the year	26,29,90,000	262.99	26,29,90,000	262.99	26,29,90,000	262.99

**(c) Terms / Rights attached to Equity Shares:**
**(i) Voting**

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

**(ii) Dividend**

The Board of Directors in their meeting dated April 15, 2017 have approved a final dividend of ₹ 9 per equity share for the financial year ended March 31, 2017. The proposal is subject to the approval of shareholders at the ensuing annual general meeting and if approved would result in a cash outflow of approximately ₹ 284.87 Crore including corporate dividend tax of ₹ 48.18 Crore.

**(iii) Liquidation**

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive all of the 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.

**(d) Buy-back of Equity Shares:**

Aggregate number of shares bought back during the period of five years immediately preceding the reporting date – 44,30,262 (March 31, 2016 – 44,30,262 and April 01, 2015 – 44,30,262).

**(e) Details of Shareholders holding more than 5% Shares of the Total Equity Shares of the Company:**

Name of the Shareholders	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	No. of Shares	% held	No. of Shares	% held	No. of Shares	% held
Reliance Project Ventures and Management Private Limited	10,61,48,937	40.36	10,61,48,937	40.36	10,61,48,937	40.36
Life Insurance Corporation of India	2,58,44,788	9.83	3,13,44,788	11.92	3,18,44,943	12.11
Reliance Big Private Limited	1,95,00,000	7.41	1,95,00,000	7.41	1,95,00,000	7.41

**18. Other Equity – Reserves and Surplus**

Particulars	(₹ Crore)		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Capital Reserve	5,179.97	3,777.02	3,777.02
Sale proceeds of fractional Equity Shares Certificates and Dividends thereon @ ₹ 37,953 (March 31, 2016 – ₹ 37,953, April 01, 2015 – ₹ 37,953)	@	@	@
Capital Redemption Reserve	130.03	130.03	130.03
Securities Premium Account	8,825.09	8,825.09	8,825.09
Debenture Redemption Reserve	626.37	600.98	459.87
Statutory Reserves:			
Contingencies Reserve	-	95.00	95.00
Development Reserve Account No.1	1.69	1.69	1.69
Development Reserve Account No.2	18.97	18.97	18.97
Debt Redemption Reserve	2.30	2.30	2.30
Rural Electrification Scheme Reserve	0.11	0.11	0.11
Reserve to augment Production Facilities	0.04	0.04	0.04
Reserve for Power Project	100.00	100.00	100.00

# Reliance Infrastructure Limited

## Notes to the standalone financial statements as of and for the year ended March 31, 2017

(₹ Crore)			
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Development Reserve Account No. 3	140.88	140.88	140.88
General Reserve	5,284.13	5,814.73	5,672.77
Foreign Currency Monetary Item Translation Difference Account	71.59	6.97	(71.68)
Treasury Shares	(25.58)	(36.85)	(36.85)
Retained Earnings	376.52	(441.34)	486.93
<b>Total Reserves and Surplus</b>	<b>20,732.11</b>	<b>19,035.62</b>	<b>19,602.17</b>

(₹ Crore)			
Other Equity	As at March 31, 2017	As at March 31, 2016	
<b>(a) Capital Reserves</b>			
1. Capital Reserve:			
Balance as per last Balance Sheet	3,777.02	3,777.02	
Add : As per Scheme of Amalgamation (Refer Note No 49)	1,402.95	-	
	<u>5,179.97</u>	<u>3,777.02</u>	
2. Sale proceeds of Fractional Equity Shares			
Certificates and Dividends thereon @ [₹ 37,953 (₹ 37,953)]	@	@	
<b>(b) Securities Premium Account</b>			
Balance as per last Balance Sheet	8,825.09	8,825.09	
<b>(c) Capital Redemption Reserve</b>			
Balance as per last Balance Sheet	130.03	130.03	
<b>(d) Debenture Redemption Reserve -</b>			
Balance as per last Balance Sheet	600.98	459.87	
Add: Transfer from Retained Earnings	200.39	242.46	
Less: Transfer to General Reserve	175.00	101.35	
	<u>626.37</u>	<u>600.98</u>	
<b>(e) Contingencies Reserve Fund</b>	95.00	95.00	
Less: Transfer to General Reserve	95.00	-	
	<u>-</u>	<u>95.00</u>	
<b>(f) Statutory Reserves</b>			
1. Development Reserve Account No.1	1.69	1.69	
2. Development Reserve Account No.2	18.97	18.97	
3. Debt Redemption Reserve	2.30	2.30	
4. Rural Electrification Scheme Reserve	0.11	0.11	
5. Reserve to augment production facilities	0.04	0.04	
6. Reserve for Power Project	100.00	100.00	
7. Development Reserve Account No. 3	140.88	140.88	
<b>(g) Foreign Currency Monetary Item Translation Difference Account</b> (Refer Note No 41)			
Balance as per last Balance Sheet	6.97	(71.68)	
Add: Addition during the year	(4.40)	(27.19)	
Less: Amortisation during the year	(69.02)	(105.84)	
	<u>71.59</u>	<u>6.97</u>	

Notes to the standalone financial statements as of and for the year ended March 31, 2017

Other Equity		(₹ Crore)
Particulars	As at March 31, 2017	As at March 31, 2016
<b>(h) General Reserve</b>		
Balance as per last Balance Sheet	5,814.73	5,672.77
Less: Transfer to Statement of Profit and Loss (Refer Note No 40) (Net)	245.02	410.76
Less: Transfer to Statement of Profit and Loss (Refer Note No 42)	555.58	948.62
Add: Transfer from Contingency Reserve fund	95.00	-
Add: Transfer from Retained Earnings	-	1,400.00
Add : Transfer from Debenture Redemption Reserve	175.00	101.35
	<u>5,284.13</u>	<u>5,814.73</u>
<b>(i) Retained Earnings</b>		
Balance as per last Balance Sheet	(441.34)	486.93
Add : Net Profit for the current year	1,288.41	994.08
Add :Items of other Comprehensive Income recognised directly in retained earnings	(24.45)	(26.67)
-Remeasurements of post-employment benefit obligation, net of tax		
Less : Transfer to General Reserve	-	1,400.00
Less : Dividend Paid	223.54	210.39
Less : Tax on Dividend	27.85	42.83
Add: As per Scheme of Amalgamation (Refer Note No 49)	5.68	-
Less : Transfer to Debenture Redemption Reserve	200.39	242.46
	<u>376.52</u>	<u>(441.34)</u>
<b>(j) Treasury Shares</b>		
Balance as per last Balance Sheet	(36.85)	(36.85)
Less; Provision for Diminution in value of Equity Shares	11.27	-
	<u>(25.58)</u>	<u>(36.85)</u>
<b>Total</b>	<u>20,732.11</u>	<u>19,035.62</u>

**Nature and purpose of Other Reserves**

**(a) Capital Reserve:**

The Reserve is created based on statutory requirement under the Companies Act, 2013, on account of forfeiture of equity shares warrants, mergers and acquisitions pursuant to the Order of Hon'ble High Court of Bombay. This is not available for distribution of dividend but can be utilised for issuing bonus shares.

**(b) Securities Premium Account:**

Securities premium account is used to record the premium on issue of shares. The same can be utilized in accordance with the provisions of the Act.

**(c) Debenture Redemption Reserve:**

As per the Companies (Share Capital and Debentures) Rules, 2014 (amended), the Company is required to create debenture redemption reserve out of profits, which is available for payment of dividend, equal to 25% of the amount of debentures issued. Accordingly, the Company has appropriated 25% of the debentures issued which would be utilized for redemption of debentures during its maturity.

**(d) Capital Redemption Reserve:**

The Capital Redemption Reserve is required to be created on buy-back of equity shares. The Company may issue fully paid up bonus shares to its members out of the capital redemption reserve account.

# Reliance Infrastructure Limited

## Notes to the standalone financial statements as of and for the year ended March 31, 2017

### (e) Statutory Reserves

#### (i) Development Reserve Account No. 1, 2 and 3:

It represents Development Rebate Reserve required under the Income-tax Act.

#### (ii) Debt Redemption Reserve, Rural Electrification Scheme Reserve, Reserve to augment production facilities and Reserve for Power Project –

These reserves were created under the repealed Electricity (Supply) Act, 1948 and Tariff Regulations. These are Statutory Reserves.

#### (iii) Contingency Reserve

This is a statutory reserve created under the repealed Electricity (Supply) Act, 1948 and Tariff Regulations. In view of orders received and amendments in regulations, the balance amount in contingency reserve has been transferred to General Reserve during the year ended March 31, 2017.

### (f) Foreign Currency Monetary Item Translation Difference Account:

The Company has availed an option of continuing the policy adopted for exchange differences arising from translation of long term foreign currency monetary items as per Previous GAAP. Foreign Currency Monetary Item Translation Difference is on account of foreign exchange gain / (loss) on non-depreciable long term foreign currency monetary items. The Company has opted to continue the accounting policy of Previous GAAP for such long term foreign currency monetary items as per D13AA of Ind AS 101 "First-time Adoption of Indian Accounting Standards". Accordingly, such gain / (loss) is carried to reserves under this head and amortised over the life of such long term foreign currency monetary items.

### (g) Treasury Shares:

Reliance Infrastructure ESOS Trust has in substance acted as an agent and the Company as a sponsor retains the majority of the risks rewards relating to funding arrangement. Accordingly, the Company has recognised issue of shares to the Trust as the issue of treasury shares by consolidating Trust into financial statements of the Company.

## 19. Non-Current Liabilities

### Financial Liabilities – Borrowings

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Non Current	Current *	Non Current	Current *	Non Current	Current *
<b>Secured</b>						
Non Convertible Debentures (Redeemable at par)	2,956.43	724.00	3,672.93	700.00	4,070.33	405.17
External Commercial Borrowings in Foreign Currency	146.80	30.48	179.52	33.79	199.78	33.75
Term Loans from Banks	3,315.46	2,650.65	5,347.77	823.99	2,302.01	729.79
Term Loans from Financial Institutions	920.05	187.62	1,107.03	43.27	953.96	40.69
Loan from Others	5.22	2.14	7.36	1.62	-	-
	<u>7,343.96</u>	<u>3,594.89</u>	<u>10,314.61</u>	<u>1,602.67</u>	<u>7,526.08</u>	<u>1,209.40</u>
<b>Unsecured</b>						
Term Loans from Banks	8.00	126.00	134.00	56.00	35.00	-
External Commercial Borrowings in Foreign Currency	-	-	-	993.82	936.77	-
	<u>8.00</u>	<u>126.00</u>	<u>134.00</u>	<u>1,049.82</u>	<u>971.77</u>	<u>-</u>
<b>Total Non-Current Borrowings</b>	<u>7,351.96</u>	<u>3,720.89</u>	<u>10,448.61</u>	<u>2,652.49</u>	<u>8,497.85</u>	<u>1,209.40</u>

\* Current Maturities of long term debt disclosed under other Financial Liabilities (Refer Note No 22)

### Security:

#### A. Non Convertible Debentures of ₹ 3,692.33 Crore (Principal undiscounted Amount) are secured as under:

₹ 125 Crore are secured

- by way of first pari-passu charge on Company's Property, Plant and Equipment, both present and future, of Goa Power Plant
- by way of first pari-passu charge on all the assets of Samalkot Power Plant

**Notes to the standalone financial statements as of and for the year ended March 31, 2017**

(iii) by way first pari-passu charge on certain fixed assets i.e. Freehold Land, Plant and Machinery and Distribution Systems of Mumbai distribution division

(iv) One Flat located in Thane District in the State of Maharashtra

₹ 566.67 Crore are secured

(i) by way of first pari-passu charge, both present and future, on Company's Plant & Machinery and Building situated at Dahanu

(ii) by way of first pari-passu charge, both present and future, on specific Land and Building situated in Mumbai

(iii) by way of first pari-passu charge, both present and future, on Investment Property situated at Mumbai.

₹ 725.66 Crore are secured by way of first pari-passu charge on specific land and buildings located in Mumbai and on certain Property, Plant and Equipment and Intangible Assets of Mumbai distribution division of the Company.

₹ 500 Crore are secured by first pari-passu charge on Land and Buildings, certain Plant and Machinery and Distribution Systems of the Company's Mumbai distribution division and one flat situated in Thane District in the State of Maharashtra

₹ 300 Crore are secured by the following:-

(i) Pledge of 18,30,84,684 shares of M/s. Reliance Power Limited which are owned by the Company.

(ii) All of the Company's rights, title, interest and benefits in, to and under the bank account no.00600350138613 of Reliance Infrastructure Limited with HDFC Bank, Mumbai Branch.

₹ 650 Crore are secured

(i) by way of first pari-passu charge on Company's Property, Plant and Equipment, both present and future, of Goa Power Plant

(ii) by way of first pari-passu charge on all the assets of Samalkot Power Plant

(iii) by way first pari-passu charge on certain fixed assets i.e. Freehold Land, Plant and Machinery and Distribution Systems of Mumbai distribution division.

(iv) One Flat located in Thane District in the State of Maharashtra

(The existing ₹ 125 Crore NCD holders also hold pari-passu charge on the above assets.)

₹ 475 Crore are secured by first ranking pari-passu charge on the following: -

(i) Specific Regulatory Assets, present and future, related to Mumbai distribution business

(ii) Escrow Accounts (including DSRA account and Surplus Regulatory Asset Account)

(iii) One flat located in Thane District in the State of Maharashtra

(iv) Lien on permitted Investments

(₹450CrorefromBankofMaharashtraand₹112.20CrorefromIndusIndBankLimited,₹200CrorefromSyndicateBank,₹37.80CrorefromAbuDhabiCommercialBankand₹100CrorefromAxisBankLimitedalsoholdpari-passuchargeontheaboveassets).

₹ 350 Crore are secured by the following:-

(i) Pledge of 21,74,35,749 shares of M/s. Reliance Power Limited which are owned by the Company.

(ii) One Flat located in Thane District in the State of Maharashtra

(iii) All of the Company's rights, title, interest and benefits in, to and under the bank account no.0656363-00-0 of Reliance Infrastructure Limited with Deutsche Bank, Mumbai branch together with fixed deposits standing to the credit of the said bank account.

**B. External Commercial Borrowings of ₹ 179.63 Crore (Principal undiscounted Amount) are secured as under:**

First charge on transmission towers, plant and machinery and all other movable and immovable properties forming part of transmission work, current assets including book debts, operating cash flows, receivables etc., related to the Western Region Strengthening Scheme Project C .The Company is in the process of creating charge on the properties situated in the state of Madhya Pradesh.

# Reliance Infrastructure Limited

## Notes to the standalone financial statements as of and for the year ended March 31, 2017

### C. Term Loans from Financial Institutions of ₹ 1,110.99 Crore (Principal undiscounted Amount) are secured as under:

₹ 500 Crore from IFCI Limited are secured by the following:

- Minimum 1.25 times cover of Non-agriculture Land to be shared with other lenders on pari-passu basis subject to maintenance of 1.25 times cover for IFCI Loan. (The security on these assets is yet to be created).
- Pledge of 22,70,00,000 shares of M/s. Reliance Power Limited by Non-disposable undertaking and Power of Attorney mechanism, which are owned by the Company. It is Interim Security till creation of security over land.

₹ 192 Crore from IFCI Limited are secured by exclusive charge on certain Property, Plant and Equipment of the Mumbai Distribution division of the Company.

₹ 157.81 Crore from L&T Infrastructure Finance Company Limited & ₹ 261.18 Crore from India Infrastructure Finance Company Limited are secured by the following assets of the Company related to the Western Region Strengthening Scheme Project B:

- First charge by way of mortgage over all the immovable properties, present and future pertaining to the Project;
- First charge by way of mortgage over all the movable assets, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future pertaining to the Project;
- First charge by way of mortgage over cash flow, receivables, book debts, revenue of whatsoever nature and wherever arising, present and future pertaining to the Project
- First charge by way of all intangibles including but not limited to goodwill and uncalled capital, present and future, pertaining to the project;
- A first charge by way of assignment or creation of security interest of:
  - All the rights, title, interest and benefits, claims and demands whatsoever of the Company in the project documents [including but not limited to Transmission services agreement (TSA)/ Power Transmission Agreement (PTA), EPC Contract Revenue Sharing Agreement (RSA), Insurance contracts],
  - Subject to applicable law, all the rights, title, interest Benefits, claims and demands whatsoever of the Company in the clearances, licenses;
  - All the rights, title, interest Benefits, claims and demands whatsoever of the Company in any letter of credit, guarantee, performance bond, corporate guarantee, bank guarantee provided by any party to the project documents and
  - All insurance and insurance proceeds in respect of the project.
- First charge on the trust and retention accounts/ escrow account, DSR and any other reserves and other bank accounts of the Company wherever maintained and with respect to the project;

### D. Term Loans from Banks of ₹ 6,033.14 Crore (Principal undiscounted Amount) are secured as under:

₹ 224 Crore from Central Bank of India is secured by way of first exclusive pari-passu charge on certain Property, Plant and Equipment and Intangible Assets of Mumbai distribution division

₹ 120 Crore from Jammu & Kashmir Bank is secured by way of first exclusive pari-passu charge on certain Plant and Equipment of EPC division and on Property, Plant and Equipment of Windmill Project of the Company located in Jogimatti in Chitradurga district of Karnataka

₹ 319 Crore from State Bank of India, ₹ 119.30 Crore from South Indian Bank and ₹ 79.55 Crore from State Bank of Hyderabad, are secured by way of first pari-passu charge on certain Property, Plant and Equipment of Mumbai transmission division and specific Land and Building located in Thane and Mumbai, respectively.

₹ 210 Crore from Bank of Baroda are secured by way of first pari-passu charge over land of Dahanu Thermal Power Station. (The security on these assets is yet to be created).

₹ 450 Crore from Bank of Maharashtra and ₹ 112.20 Crore from Indus ind Bank Limited, ₹ 200 Crore from Syndicate Bank, and ₹ 37.80 Crore from Abu Dhabi Commercial Bank and ₹ 100 Crore from Axis Bank Limited, are secured by the first pari-passu charge on the following:

- Specific Regulatory Assets, present and future, related to Mumbai distribution business
- Escrow Accounts (including DSRA account and Surplus Regulatory Asset Account)
- One Flat located in Thane District in the State of Maharashtra



**Notes to the standalone financial statements as of and for the year ended March 31, 2017**

d. Lien on permitted Investments

(The existing ₹ 475 Crore NCD holders also hold pari-passu charge on the above assets).

₹ 98.23 Crore from IndusInd Bank Limited are secured by the following assets of the Company related to the Western Region Strengthening Scheme Project B:

- a. First charge by way of mortgage over all the immovable properties, present and future pertaining to the Project
- b. First charge by way of mortgage over all the movable assets, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future pertaining to the Project;
- c. First charge by way of mortgage over cash flow, receivables, book debts, revenue of whatsoever nature and wherever arising, present and future pertaining to the Project
- d. First charge by way of all intangibles including but not limited to goodwill and uncalled capital, present and future, pertaining to the project;
- e. A first charge by way of assignment or creation of security interest of:
  - i. All the rights, title, interest and benefits, claims and demands whatsoever of the Company in the project documents [including but not limited to Transmission services agreement (TSA)/ Power Transmission Agreement (PTA), EPC Contract Revenue Sharing Agreement (RSA), Insurance contracts],
  - ii. Subject to applicable law, all the rights, title, interest Benefits, claims and demands whatsoever of the Company in the clearances, licenses;
  - iii. All the rights, title, interest Benefits, claims and demands whatsoever of the Company in any letter of credit, guarantee, performance bond, corporate guarantee, bank guarantee provided by any party to the project documents and
  - iv. All insurance and insurance proceeds in respect of the project.
- f. First charge on the trust and retention accounts / escrow account, DSR and any other reserves and other bank accounts of the Company wherever maintained and with respect to the project; (Term loan of ₹ 157.80 Crore from L & T Infrastructure Finance Company Limited and ₹ 261.20 Crore from India Infrastructure Finance Company Limited also hold pari-passu charge on the above assets).

₹ 1,312.50 Crore from Yes Bank Limited are secured by the following:

- a. Pledge of 22,01,03,025 Equity Shares of Reliance Defence and Engineering Limited by Reliance Defence Systems Private Limited (step-down subsidiary of the Company)
- b. Subservient charge on Current Assets of the Company, both present and future

₹ 155.56 Crore from Yes Bank Limited are secured by the following:

- a. Pledge of 1,88,28,000 Equity Shares of BSES Kerala Power Limited (a 100% subsidiary of the Company)
- b. Subservient charge on Current Assets of the Company
- c. Moveable Property, Plant and Equipment of BSES Kerala Power Limited

(The Security on the above assets is yet to be created).

₹ 190 Crore from Axis Bank Limited are secured by first pari passu charge on inventory & trade receivable, book debts, other current assets and additionally secured by a flat of the Company located at Mumbai.

₹ 600 Crore from IDFC Bank Limited and ₹ 600 Crore from Bank of Baroda are secured by the following.

- a. Pledge of 13,43,100 Equity Shares of NK Toll Road Limited, 15,63,000 Equity Shares of DS Toll Road Limited, 5,88,330 Equity Shares of GF Toll Road Private Limited, 10,22,700 Equity Shares of KM Toll Road Private Limited, 11,13,300 Equity Shares of HK Toll Road Private Limited, 38,26,695 Equity Shares of TK Toll Road Private Limited, 32,23,476 Equity Shares of TD Toll Road Private Limited and 55,23,678 Equity Shares of SU Toll Road Private Limited
- b. Pledge of 2,462 Equity Shares of JR Toll Road Private Limited and 2,465 Equity Shares of PS Toll Road Private Limited
- c. Non-disposal Undertaking on 45,99,180 Equity Shares of DA Toll Road Private Limited.

# Reliance Infrastructure Limited

## Notes to the standalone financial statements as of and for the year ended March 31, 2017

- d. Non-disposal Undertaking on 19% Equity Share holding of SU Toll Road Private Limited, GF Toll Road Private Limited, KM Toll Road Private Limited, HK Toll Road Private Limited, TD Toll Road Private Limited and TK Toll Road Private Limited. (Pledge of this 19% Equity Shares is yet to be created).
- e. Second pari passu charge on the current assets of Company
- f. First pari passu charge on all receivable arising out of sub-debt / loan advanced / to be advanced to Road Companies, as mentioned above.

₹ 400 Crore from Syndicate Bank are secured by the following.

- a. Second Charge on Company's current assets excluding Regulatory Assets of Mumbai Distribution Business and WRSS transmission assets.
- b. Non-disposal Undertaking and Power of Attorney for 49% shareholding in SPV which shall house WRSS Maharashtra project and 24% shareholding in SPV which shall house WRSS Gujarat project.
- c. This security is to be created within 30 days of transfer of asset of WRSS from the Company to the SPVs which shall house WRSS Projects.

₹ 150 Crore from Axis Bank Limited is secured by the following.

- a. Residual charge on the entire current assets of the Company both present and future.
- b. Pledge of 2,783 Equity Shares of JR Toll Road Private Limited

₹ 250 Crore from Vijaya Bank Limited is secured by subservient charge on moveable Property, Plant and Equipment of the Company with asset cover of minimum 1.25 times.

₹ 305 Crore from Canara Bank Limited is secured by subservient charge on moveable Property, Plant and Equipment of the Company with asset cover of minimum 1.25 times.

### E. Loans from Others of ₹ 7.36 Crore are secured as under:

₹ 7.36 Crore from CISCO Systems Capital (India) Private Limited is secured by first and exclusive charge on specific office equipments including specific networking systems of the Company.

Maturity Profile and rate of interest of Non Convertible Debentures (NCD) & External Commercial Borrowings (ECB) (Principal undiscounted) are as under:

	(₹ Crore)						
Particulars	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23 onwards	Total
Secured NCDs							
6.70%	-	125.00	-	-	-	-	125.00
9.80%	-	131.30	-	-	-	-	131.30
10.00%	-	-	-	318.70	-	-	318.70
10.20%	-	-	-	50.00	-	-	50.00
10.25%	16.67	-	-	-	-	50.00	66.67
10.50%	-	585.00	-	-	-	-	585.00
10.65%	150.00	200.00	25.00	-	-	-	375.00
11.15%	124.00	-	-	-	-	-	124.00
11.30%	-	-	-	-	-	-	-
11.50%	-	-	200.00	200.00	200.00	-	600.00
11.55%	283.33	283.34	-	-	-	-	566.68
11.60%	100.00	-	-	-	-	-	100.00
11.75%	-	300.00	-	-	-	-	300.00
12.50%	50.00	300.00	-	-	-	-	350.00
ECB in Foreign Currency – Secured LIBOR + 325 basis point	30.48	149.16	-	-	-	-	179.64
<b>Total</b>	<b>754.48</b>	<b>2,073.80</b>	<b>225.00</b>	<b>568.70</b>	<b>200.00</b>	<b>50.00</b>	<b>3,871.99</b>

**Notes to the standalone financial statements as of and for the year ended March 31, 2017**

Maturity Profile of Secured and Unsecured Term Loan and Loan from Others (Principal undiscounted) is as under:

Particulars	Maturity Profile						(₹ Crore)
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23 onwards	Total
Term Loans from Banks – Rate of Interest ranges from – 10.00 % to 13% p.a.	2,776.65	2,096.10	818.61	114.08	61.87	304.89	6,172.20
Term Loans from Financial Institution – Rate of Interest ranges from – 11.25 % to 12.50 % p.a.	187.62	231.77	230.45	47.34	159.34	254.48	1,111.00
Loan from Others – 10 % p.a.	2.14	2.45	2.65	0.12	–	–	7.36
<b>Total</b>	<b>2,966.41</b>	<b>2,330.32</b>	<b>1,051.71</b>	<b>161.54</b>	<b>221.21</b>	<b>559.37</b>	<b>7,290.56</b>

**20. Current Liabilities**
**Financial Liabilities – Borrowings**

Particulars	(₹ Crore)		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>Secured</b>			
Working Capital Loans from Banks*	<b>1,122.34</b>	901.05	1,118.07
Term Loans from Banks**	<b>1,900.00</b>	200.00	–
Buyers' Credit – in Foreign Currency from Banks*	<b>140.39</b>	2,603.46	2,785.50
(A)	<b>3,162.73</b>	3,704.51	3,903.57
<b>Unsecured</b>			
Term Loans from Banks	<b>395.00</b>	470.00	645.00
Buyers' Credit – in Foreign Currency from Banks	<b>62.16</b>	828.34	1,134.45
Commercial Paper	<b>1,230.00</b>	555.00	1,200.00
Inter Corporate Deposits			
– from Related Parties (Refer Note No 36)	<b>328.65</b>	1,603.63	175.00
– Others	<b>70.00</b>	80.00	–
(B)	<b>2,085.81</b>	3,536.97	3,154.45
<b>Total Current Borrowings (A) + (B)</b>	<b>5,248.54</b>	7,241.48	7,058.02

Note:

\*Security: Working Capital Loans and Buyers' Credit from Consortium Banks are secured by way of first pari-passu charge on stock, book debts, other current assets and additionally secured by a specific immovable property of the Company located at Mumbai;

\*\*₹ 300 Crore from Canara Bank Limited and ₹ 500 Crore from Canara Bank Limited is secured by subservient charge on moveable Property, Plant and Equipment of the Company with asset cover of minimum 1.25 times.

\*\*₹ 500 Crore from Union Bank of India is secured by subservient charge on moveable Property, Plant and Equipment of the Company with asset cover of minimum 1.25 times.

\*\*₹ 500 Crore from IDBI Bank Limited and ₹ 100 Crore from IDBI Bank Limited is secured by existing security available to the consortium.

# Reliance Infrastructure Limited

## Notes to the standalone financial statements as of and for the year ended March 31, 2017

### Financial Liabilities:

#### 21. Trade Payables:

	<b>(₹ Crore)</b>					
	<b>As at March 31, 2017</b>		<b>As at March 31, 2016</b>		<b>As at April 01, 2015</b>	
	<b>Current</b>	<b>Non-Current</b>	<b>Current</b>	<b>Non-Current</b>	<b>Current</b>	<b>Non-Current</b>
Total outstanding dues to Micro and Small Enterprises	<b>0.11</b>	<b>-</b>	0.10	-	0.02	-
Total outstanding dues to Others including Retention Payable	<b>5,648.72</b>	<b>4.98</b>	4,562.22	252.82	3,895.09	424.55
<b>Total</b>	<b><u>5,648.83</u></b>	<b><u>4.98</u></b>	<b><u>4,562.32</u></b>	<b><u>252.82</u></b>	<b><u>3,895.11</u></b>	<b><u>424.55</u></b>

This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by the auditors.

	<b>(₹ Crore)</b>			
<b>Particulars</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>	<b>As at April 01, 2015</b>	<b>As at April 01, 2015</b>
Principal amount due to suppliers under MSMED Act, 2006	<b>0.11</b>	0.10	0.02	0.02
Interest accrued, due to suppliers under MSMED Act on the above amount, and unpaid	<b>0.01</b>	0.01	-	-
Payment made to suppliers (other than interest) beyond the appointed day/due date during the year	<b>5.47</b>	-	0.30	0.30
Interest paid to suppliers under MSMED Act (other than Section 16)	<b>-</b>	-	-	-
Interest paid to suppliers under MSMED Act (Section 16)	<b>-</b>	-	-	-
Interest due and payable towards suppliers under MSMED Act for payments already made	<b>0.23</b>	0.01	0.01	0.01
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	<b>0.24</b>	0.01	0.01	0.01
Amount of further interest remaining due and payable in succeeding years	<b>-</b>	-	-	-

#### 22. Other Financial Liabilities:

	<b>(₹ Crore)</b>					
	<b>As at March 31, 2017</b>		<b>As at March 31, 2016</b>		<b>As at April 01, 2015</b>	
<b>Particulars</b>	<b>Current</b>	<b>Non-Current</b>	<b>Current</b>	<b>Non-Current</b>	<b>Current</b>	<b>Non-Current</b>
Current Maturities of Long-term Debt	<b>3,720.89</b>	<b>-</b>	2,652.49	-	1,209.40	-
MTM on Derivatives Financial Instruments (including forward contracts)	<b>5.79</b>	<b>-</b>	44.93	-	18.09	-
Interest Accrued	<b>276.51</b>	<b>135.73</b>	214.66	99.65	179.89	51.16
Creditors for Capital Expenditure	<b>5.05</b>	<b>-</b>	82.38	-	78.31	-
Security Deposits	<b>55.47</b>	<b>-</b>	52.34	-	48.70	-
Unpaid Dividends	<b>14.32</b>	<b>-</b>	13.32	-	12.55	-
Deposits from Consumers	<b>354.40</b>	<b>-</b>	331.50	-	301.83	-
Amount due to Customers for Contract work	<b>1,197.54</b>	<b>-</b>	1,675.00	-	1,864.59	-
Financial Guarantee Obligation	<b>-</b>	<b>13.89</b>	-	16.46	-	21.37
<b>Total</b>	<b><u>5,629.97</u></b>	<b><u>149.62</u></b>	<b><u>5,066.62</u></b>	<b><u>116.11</u></b>	<b><u>3,713.36</u></b>	<b><u>72.53</u></b>

**Notes to the standalone financial statements as of and for the year ended March 31, 2017**
**23. Other Liabilities**

Particulars						
	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Advances received from Customers	812.82	1,390.30	666.36	1,292.15	1,033.49	1,596.76
Service Line Contribution	-	199.28	-	188.82	-	176.97
Contingencies Reserve Fund	-	140.11	-	123.35	-	107.79
Other Liabilities including Statutory Liabilities	1,783.39	228.39	1,301.21	229.90	395.70	227.47
<b>Total</b>	<b>2,596.21</b>	<b>1,958.08</b>	<b>1,967.57</b>	<b>1,834.22</b>	<b>1,429.19</b>	<b>2,108.99</b>

**24. Provisions:**

Particulars						
	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Provision for Disputed Matters	-	380.00	-	380.00	-	380.00
<b>Provision for Employee Benefit</b>						
Provision for Leave Encashment	111.72	-	86.09	-	56.95	-
Provision for Gratuity (Refer Note No 24)	140.27	-	98.41	-	54.45	-
<b>Total</b>	<b>251.99</b>	<b>380.00</b>	<b>184.50</b>	<b>380.00</b>	<b>111.40</b>	<b>380.00</b>

**Information about Provision for Disputed Matters and significant estimates**

Represents provision made for disputes in respect of power business and other corporate matters.

No further information is given as the matters are sub-judice and may jeopardize the interest of the Company.

**Movement in Provision for disputed matters**

Particulars	(₹ Crore)
As at April 01, 2015	380.00
As at March 31, 2016	380.00
As at March 31, 2017	380.00

**25. Income Tax and Deferred Tax (Net):**
**25(a) Income tax expenses**

Particulars		
	Year ended March 31, 2017	Year ended March 31, 2016
Income tax Expense:		
Current tax:		
Current tax on profits for the year	40.00	220.00
Adjustments for current tax of prior periods	(16.51)	8.26
Total current tax expense (A)	23.49	228.26
Deferred tax:		
Decrease/(increase) in deferred tax assets	(96.35)	(111.01)
(Decrease)/increase in deferred tax liabilities	(16.82)	78.38
Total deferred tax expense/(benefit) (B)	(113.17)	(32.63)
Income tax expense (A + B)	(89.68)	195.63
Income tax expense is attributable to:		
Profit from continuing operations	(89.68)	195.63
Profit from discontinued operation	-	-

# Reliance Infrastructure Limited

## Notes to the standalone financial statements as of and for the year ended March 31, 2017

### 25(b) Reconciliation of tax expenses and the accounting profit multiplied by India's tax rate:

Particulars	Year ended March 31, 2017	(₹ Crore) Year ended March 31, 2016
Profit from continuing operations before income tax expense	1,204.73	1,196.71
Profit from discontinuing operation before income tax expense	-	-
Tax at the Indian tax rate of 34.608%	416.94	414.16
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Income not considered for Tax purpose	(26.67)	(45.68)
Expenses withdrawn from general reserve and allowable for Income Tax	(84.80)	(99.00)
Expenses not allowable for tax purposes	58.50	32.23
Corporate social responsibility expenditure not allowable for Tax purpose	10.68	11.25
Fair Valuation of Preference shares / Debentures	(93.05)	(91.47)
Expected Credit Loss Provision on Intercompany Deposits	6.64	152.69
Deductions under chapter VIA of the Income Tax Act (Sections 80IA/80G)	(401.41)	(198.05)
Unrecognised MAT Credit	40.00	11.24
Adjustments for current tax of prior periods	(16.51)	8.26
Income tax expense charged to Statement of Profit and Loss	<u>(89.68)</u>	<u>195.63</u>

### 25(c) Amounts recognised in respect of current tax / deferred tax directly in equity:

Particulars	Year ended March 31, 2017	Year ended March 31, 2016	(₹ Crore) Year ended April 01, 2015
Amounts recognised in respect of current tax / deferred tax directly in equity	-	-	-

### 25(d) Tax losses and Tax credits

Particulars	As at March 31, 2017	As at March 31, 2016	(₹ Crore) As at April 01, 2015
Unused Capital Gains tax losses for which no deferred tax asset has been recognised	799.35	578.39	578.39
Unused Tax Credits – MAT credit entitlement	51.24	11.24	-

During the year ended March 31, 2017 the unrecognised past Capital Loss of ₹ 100.38 Crore has been used to reduce the Current year's Capital Gains Tax of ₹ 23.16 Crore.

### 25(e) Deferred tax balances

The balance comprises temporary differences attributable to:

Particulars	As at March 31, 2017	As at March 31, 2016	(₹ Crore) As at April 01, 2015
<b>Deferred tax liability on account of:</b>			
Property plant and Equipment, Intangible Assets and Investment Property –			
Carrying amounts other than on account of Fair Valuation	998.49	903.02	784.21
Fair Valuation of Property, Plant and Equipment	2,152.17	2,268.28	2,398.83
Impact of Effective Interest Rate on Borrowings / other Financial assets / liabilities	31.03	28.27	(60.11)
Fair Valuation of Financial Instruments	15.08	14.02	12.28
<b>Total Deferred Tax Liabilities</b>	<b>3,196.77</b>	<b>3,213.59</b>	<b>3,135.21</b>
<b>Deferred tax asset on account of:</b>			
Provisions	194.91	173.35	152.24
Service Concession Arrangements (Appendix A to Ind AS 11 "Construction Contracts")	246.95	233.54	207.08
Finance Lease Arrangement (Appendix C to Ind AS 17 "Leases")	229.40	168.02	102.84
Disallowances u/s 40(a)/43B of the Income Tax Act, 1961	3.11	3.11	4.85
<b>Total Deferred Tax Assets</b>	<b>674.37</b>	<b>578.02</b>	<b>467.01</b>
<b>Net Deferred Tax Liability</b>	<b>2,522.40</b>	<b>2,635.57</b>	<b>2,668.20</b>

**Notes to the standalone financial statements as of and for the year ended March 31, 2017**

Note: In line with the requirements of Ind AS 114, "Regulatory Deferral Accounts", the entity presents the resulting deferred tax asset / (liability) and the related movement in that deferred tax asset / (liability) with the related regulatory deferral account balances and movements in those balances, instead of within that presented above in accordance with Ind AS 12 "Income Taxes". Refer Note No 8 for disclosures as per Ind AS 114.

**25(f) Movement in deferred tax balances:**

	(₹ Crore)
<b>Deferred Tax Liability</b>	<b>Amount</b>
<b>As at April 01, 2015</b>	<b>2,668.20</b>
(Charged)/credited:	
– to profit or loss	<b>32.63</b>
– to other comprehensive income	–
<b>As at March 31, 2016</b>	<b>2,635.57</b>
(Charged)/credited:	
– to profit or loss	<b>113.17</b>
– to other comprehensive income	–
<b>As at March 31, 2017</b>	<b>2,522.40</b>

**26. Revenue from Operations:**

	(₹ Crore)	
<b>Particulars</b>	<b>Year ended March 31, 2017</b>	Year ended March 31, 2016
<b>(a)</b> Income from Sale of Power and Transmission Charges	<b>4,925.70</b>	4,869.03
Less – Discount for Prompt payment of Bills	<b>18.11</b>	18.80
	<b>4,907.59</b>	4,850.23
Less – Tax on Sale of Electricity	<b>158.06</b>	158.97
	<b>4,749.53</b>	4,691.26
Wheeling Charges Received	<b>1,585.40</b>	1,630.34
Cross Subsidy Charges	<b>82.30</b>	26.95
Carrying Cost on Regulatory Assets	<b>525.67</b>	501.38
Miscellaneous Income	<b>106.04</b>	165.95
<b>Sub-total (a)</b>	<b>7,048.94</b>	7,015.88
<b>(b)</b> Revenue from EPC and Contracts Business		
Value of Contracts billed and Service Charges	<b>1,645.81</b>	2,580.95
Increase /(decrease) in Work in progress		
Work-in-progress at close	<b>328.64</b>	441.69
Less: Work-in-progress at commencement	<b>441.69</b>	453.40
Net increase / (decrease) in work-in-progress	<b>(113.05)</b>	(11.71)
Miscellaneous Income	<b>45.90</b>	–
<b>Sub-total (b)</b>	<b>1,578.66</b>	2,569.24
<b>(c)</b> Other Operating Income		
Provisions / Liabilities written back	<b>51.35</b>	118.30
Insurance Claims received	<b>16.93</b>	5.02
Other Income	<b>75.62</b>	64.59
<b>Sub-total (C)</b>	<b>143.90</b>	187.91
<b>Total (a) + (b) + (c)</b>	<b>8,771.50</b>	9,773.03



# Reliance Infrastructure Limited

## Notes to the standalone financial statements as of and for the year ended March 31, 2017

### 27. Other Income:

	(₹ Crore)	
Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Interest Income on-		
Inter Corporate Deposits	1,452.56	1,117.06
Bank Deposits	14.35	14.18
Customer Dues	17.68	16.85
Interest income on Service Concession Receivable (Net)	131.75	112.43
Others	65.41	92.74
	<u>1,681.75</u>	<u>1,353.26</u>
Fair value gain on Financial Instruments through FVTPL / Amortised Cost	314.07	534.92
Dividend Income	10.63	145.93
Net Gain / (Loss) on Sale of Investments	92.77	26.92
Gain on Derivative Instruments (net) (including MTM on Forward Contracts)	27.34	-
Provisions / Liabilities written back	41.47	5.24
Profit on sale of Property, Plant and Equipment	0.05	0.05
Income from Lease of Investment Property	68.35	9.35
Miscellaneous Income	23.75	16.85
	<u>2,260.18</u>	<u>2,092.52</u>

### 28. Employee Benefit Expenses:

	(₹ Crore)	
Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Salaries, Wages and Bonus (Refer Note No 44)	763.08	798.90
Contribution to Provident Fund and other Funds (Refer Note No 44)	66.95	57.70
Contribution to Gratuity Fund (Refer Note No 44)	34.65	30.84
Workmen and Staff Welfare Expenses	117.21	107.58
	<u>981.89</u>	<u>995.02</u>

### 29. Finance Costs:

	(₹ Crore)	
Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Interest and Financing Charges on		
Debentures	485.35	526.35
External Commercial Borrowings and Commercial Paper	133.88	173.99
Working Capital and other Borrowings	1,500.39	984.78
Unwinding on Retention payable	27.39	49.16
Finance Lease Obligation	462.21	467.06
Security Deposits from Consumers	39.19	27.79
	<u>2,648.41</u>	<u>2,229.13</u>
Other Finance Charges	61.48	33.40
Loss on foreign currency transactions and translation (Refer Note No 40)	-	252.50
	<u>2,709.89</u>	<u>2,515.03</u>

**Notes to the standalone financial statements as of and for the year ended March 31, 2017**
**30. Other Expenses:**

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Consumption of stores and spares	52.31	52.87
Less: Allocated to repairs and other relevant revenue accounts	35.03	36.56
	17.28	16.31
Rent	39.82	75.78
Repairs and Maintenance		
Buildings	14.04	11.87
Plant and Machinery (including Distribution Systems)	253.49	254.06
Other Assets	11.79	12.69
Insurance	23.85	23.70
Rates and Taxes	42.55	35.74
Community Development and Environment Monitoring Expenses	2.64	2.47
Corporate Social Responsibility Expenditure (Refer Note 56)	32.33	32.50
Legal and Professional charges	100.36	90.22
Bad Debts	53.57	67.59
{Net of Provision for Doubtful Debts written back ₹ Nil (March 31, 2016 - ₹ 17.75 Crore)}		
Directors' Sitting Fees and Commission	6.54	6.59
Miscellaneous Expenses	292.11	320.91
Loss on foreign currency translations or transactions	272.36	131.34
Loss on Derivative Instruments / forward contracts (net) (Refer Note No 40)	-	26.92
Loss on Sale / Disposal of Property, Plant and Equipment	41.87	18.96
Provision for Expected Credit Loss	19.20	441.21
Provision for Doubtful Debts / Advances / Deposits / Diminution of investments	102.30	91.37
	<b>1,326.10</b>	<b>1,660.23</b>

**31. Earnings Per Equity Share:**

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
(i) Profit for Basic and Diluted Earnings per Share		
- before Rate Regulated Activities (a) (₹ Crore)	532.47	566.66
- after Rate Regulatory Activities (b) (₹ Crore)	1,288.41	994.08
(ii) Weighted average number of Equity Shares		
For Basic Earnings per Share (c)	26,29,90,000	26,29,90,000
For Diluted Earnings per Share(d)	26,29,90,000	26,29,90,000
(iii) Earnings per share before Rate Regulated Activities	₹	₹
(Face Value of ₹10 per Share)		
Basic (a/c)	20.25	21.55
Diluted (a/d)	20.25	21.55
(iv) Earnings per share after Rate Regulated Activities	₹	₹
(Face Value of ₹10 per Share)		
Basic (b/c)	48.99	37.80
Diluted (b/d)	48.99	37.80

**32.** The Company is engaged in the business of providing infrastructural facilities as per Section 186 (11) read with Schedule VI of the Act. Accordingly, disclosures under Section 186 of the Act is not applicable to the Company.

**33.** Figures for the previous year have been regrouped/reclassified/rearranged wherever necessary to make them comparable to those for the current year. Figures in bracket indicate previous year's figures. @ - represents figures less than ₹ 50,000 which have been shown at actuals in brackets with @.

**34 (a) Contingent Liabilities:**

- i) Claims against the Company not acknowledged as debts and under litigation aggregates to ₹ 1,605.47 Crore (March 31, 2016 - ₹ 1,725.04 Crore and April 01, 2015 ₹ 1,160.74 Crore). These include claim from suppliers

# Reliance Infrastructure Limited

## Notes to the standalone financial statements as of and for the year ended March 31, 2017

aggregating to ₹ 438.99 Crore (March 31, 2016 ₹ 431.83 Crore and April 01, 2015 ₹ 371.87 Crore), income tax claims ₹ 713.27 Crore (March 31, 2016 ₹ 838.35 Crore and April 01, 2015 ₹ 168.37 Crore), indirect tax claims aggregating to ₹ 411.08 Crore (March 31, 2016 ₹ 407.02 Crore and April 01, 2015 ₹ 568.60 Crore) out of which claims of ₹ 304.10 Crore (March 31, 2016 ₹ 287.58 Crore and April 01, 2015 ₹ 271.06 Crore), if materialised, will be recovered from the customers and other claims ₹ 42.12 Crore (Net of provision made of ₹ 20 Crore) (March 31, 2016 ₹ 47.84 Crore – Net of Provision made of ₹ 20 Crore and April 01, 2015 ₹ 51.90 Crore (Net of provision made of ₹ 8 Crore)).

- ii) The Company's application for compounding in respect of its ECB of USD 360 million has been deemed by the Reserve Bank of India (RBI) as never to have been made subsequent to the withdrawal of the compounding application. Accordingly, there is no liability in respect of the compounding fee of ₹ 124.68 Crore earlier specified by RBI. Subsequent to the withdrawal of the compounding application, the matter has been referred to the Enforcement Directorate where the same is still pending.

### (b) Capital and Other Commitments:

- i) Estimated amount of contracts remaining unexecuted on capital account and not provided for ₹ 403.81 Crore (March 31, 2016 ₹ 152.81 Crore and April 01, 2015 ₹ 125.38 Crore).
- ii) Uncalled liability on partly paid shares ₹ 10.70 Crore (March 31, 2016 ₹ 10.70 Crore and April 01, 2015 ₹ 10.70 Crore).
- iii) The Company has given equity / fund support / other undertakings for setting up of projects / cost overrun in respect of various infrastructure and power projects being set up by Company's subsidiaries and associates; the amounts of which currently are not ascertainable.ii) The Company's application for compounding in respect of its ECB of USD 360 million has been deemed by the Reserve Bank of India (RBI) as never to have been made subsequent to the withdrawal of the compounding application. Accordingly, there is no liability in respect of the compounding fee of ₹ 124.68 Crore earlier specified by RBI. Subsequent to the withdrawal of the compounding application, the matter has been referred to the Enforcement Directorate where the same is still pending.

### 35. Payment to Auditors (excluding service tax):

Particulars	2016-17 (₹ Crore)	2015-16 (₹ Crore)
(a) As Auditors		
Audit Fee	1.25	1.25
Limited Review	0.64	0.51
(b) For Other Services		
Other Services (certification fees)	0.89	0.23
(c) For Reimbursement of out-of-pocket expenses	0.02	0.01
	<u>2.80</u>	<u>2.00</u>

### 36. Related Party Disclosure:

As per Ind AS – 24 "Related Party Disclosure" the Company's related parties and transactions with them in the ordinary course of business are disclosed below :

#### (a) Parties where control exists:

Subsidiaries (including step down subsidiaries)	1	Reliance Power Transmission Limited (RePL)
	2	Reliance Airport Developers Private Limited (RADPL)
	3	BSES Kerala Power Limited (BKPL)
	4	Mumbai Metro One Private Limited (MMOPL)
	5	Reliance Energy Trading Limited (RETL)
	6	Parbati Koldam Transmission Company Limited (PKTCL)
	7	DS Toll Road Limited (DSTL)
	8	NK Toll Road Limited (NKTL)
	9	KM Toll Road Private Limited (KMTL)
	10	PS Toll Road Private Limited (PSTL)
	11	HK Toll Road Private Limited (HKTL)
	12	DA Toll Road Private Limited (DATL)
	13	GF Toll Road Private Limited (GFTL)
	14	CBD Tower Private Limited (CBDT)
	15	Reliance Electric Generation & Supply Private Limited (REGSPL)

**Notes to the standalone financial statements as of and for the year ended March 31, 2017**

16	Reliance Cement Company Private Limited (RCPL) (upto August 21, 2016)
17	Reliance Cement Corporation Private Limited (RCCPL)
18	Reliance Sea Link One Private Limited (RSOPL)
19	Utility Infrastructure & Works Private Limited (UIWPL)
20	Reliance Smart Cities Private Limited (RSCL)
21	Reliance Energy Limited (REL)
22	Reliance E-Generation and Management Private Limited (REGMPL)
23	Reliance Defence Limited (RDL)
24	Reliance Cruise and Terminals Limited (RCTL) (formerly known as Reliance Defence Ventures Limited) w.e.f. Jan 20, 2017
25	BSES Rajdhani Power Limited (BRPL)
26	BSES Yamuna Power Limited (BYPL)
27	JR Toll Road Private Limited (JRTL)
28	Delhi Airport Metro Express Private Limited (DAMEPL)
29	SU Toll Road Private Limited (SUTL)
30	TD Toll Road Private Limited (TDTL)
31	TK Toll Road Private Limited (TKTL)
32	Mumbai Metro Transport Private Limited (MMTPL)
33	North Karanpura Transmission Company Limited (NKTCL)
34	Talcher II Transmission Company Limited (TTCL)
35	Latur Airport Private Limited (LAPL)
36	Baramati Airport Private Limited (BAPL)
37	Nanded Airport Private Limited (NAPL)
38	Yavatmal Airport Private Limited (YAPL)
39	Osmanabad Airport Private Limited (OAPL)
40	Reliance Defence & Aerospace Private Limited (RDAPL)
41	Reliance Defence Technologies Private Limited (RDTPL)
42	Reliance SED Limited (RSL)
43	Reliance Propulsion Systems Limited (RPSL)
44	Reliance Defence System and Tech Limited (RDSTL) (formerly known as Reliance Space Limited (RsPL))
45	Reliance Defence Infrastructure Limited (RDIL)
46	Reliance Helicopters Limited (RHL)
47	Reliance Land Systems Limited (RLSL)
48	Reliance Naval Systems Limited (RNSL)
49	Reliance Unmanned Systems Limited (RUSL)
50	Reliance Aerostructure Limited (RAL)
51	Reliance Defence Systems Private Limited (RDSPL)
52	Tamilnadu Industries Captive Power Company Limited (TICAPCO)
53	Reliance Delhi Metro Trust (RDMT)
54	Reliance Toll Road Trust (RTRT)
55	Reliance Infra Solutions Private Limited (RISPL)
56	Spice Commerce and Trade Private Limited (upto September 30,2016) (SCTPL)
57	Space Trade Enterprises Private Limited (upto September 30,2016) (STEPL)
58	Skyline Global Trade Private Limited (upto September 30,2016) (SGTPL)
59	Worldcom Solutions Limited (upto September 30,2016) (WSL)
60	Hirma Power Limited (upto September 30,2016) (HPL)
61	Jayamkondam Power Limited (upto September 30,2016) (JPL)
62	Reliance Thermal Energy Limited (upto September 30,2016) (RTEL)
63	Noida Global SEZ Private Limited (upto September 30,2016) (NGSPL)
64	Globtech Advisory Services Limited (upto September 30,2016) (GASL)
65	Dassault Reliance Aerospace Limited (DRAL) w.e.f. February 10, 2017
66	Reliance Rafael Defence Systems Private Limited (RRDSPL) w.e.f. March 31, 2017
67	Western Transmission (Gujarat) Limited w.e.f. December 26, 2016 (WRTGL)
68	Western Transco power Limited w.e.f. December 26, 2016 (WRTML)
69	Reliance Concrete Private Limited (RCoPL) (upto April 01, 2016 – Refer Note No 29)

# Reliance Infrastructure Limited

## Notes to the standalone financial statements as of and for the year ended March 31, 2017

### (b) Other related parties where transactions have taken place during the year

(i)	Associates (including Subsidiaries of Associates)	1	Reliance Power Limited (RePL)
		2	Rosa Power Supply Company Limited (ROSA)
		3	Sasan Power Limited (SPL)
		4	Vidarbha Industries Power Limited (VIPL)
		5	Chitrangi Power Private Limited (CPPL)
		6	Jharkhand Integrated Power Limited (JIPL)
		7	Coastal Andhra Power Limited (CAPL)
		8	Samalkot Power Limited (SaPoL)
		9	Rajasthan Sun Technique Energy Private Limited (RSTEPL)
		10	Dhursur Solar Power Private Limited (DSPPL)
		11	Siyom Hydro Power Private Limited (SHPPL)
		12	Coastal Andhra Power Infrastructure Limited (CAPIPL)
		13	Urthing Sobla Hydro Power Private Limited (USHPPL)
		14	Reliance Defence and Engineering Limited (RDEL)
		15	Reliance Marine and Offshore Limited (RMOL)
		16	E- Complex Private Limited (ECPL)
		17	Reliance Geothermal Power Private Limited (RGPPPL)
		18	Metro One Operations Private Limited (MOOPL)
		19	RPL Photon Private Limited (RPPL)
		20	RPL Sun Technique Private Limited (RSTPL)
		21	RPL Sun Power Private Limited (RSPPL)
(ii)	Joint Ventures		Utility Powertech Limited (UPL)
(iii)	Investing Party		Reliance Project Ventures and Management Private Limited (RPVMPL)
(iv)	Persons having control over investing party		Shri Anil D Ambani
(v)	Enterprises over which person described in (iv) has control / significant influence	1	Reliance Innoventures Private Limited (REIL)
		2	Reliance Life Insurance Company Limited (RLICL)
		3	Reliance General Insurance Company Limited (RGI)
		4	Reliance Capital Limited (RCap)
		5	Reliance Tech Services Limited (RTSL)
		6	Reliance Infocomm Infrastructure Limited (RIIL)
		7	AAA Sons Private Limited (AAASPL)
		8	Reliance Securities Limited (RSL)
		9	Zapak Digital Entertainment Limited (ZDEL)
		10	Reliance Infratel Limited (RITL)
		11	Reliance Big Private Limited (RBPL)
		12	Reliance Webstore Limited (RWL)
		13	Reliance Communication Limited (RCom)
		14	Talenthouse Entertainment Private Limited (THEPL)
		15	Reliance Big Entertainment Limited (RBEL)
		16	Reliance Assets Reconstruction Company Limited (RARCL)
		17	Reliance Big TV Limited (RBTL)
		18	Reliance Money Solutions Private Limited (RMSPL)
		19	Reliance Money Limited (RML)
		20	Reliance Transport and Travels Private Limited (RTTPL)
		21	Reliance Broadcast Network Limited (RBNL)
		22	Reliance Infocomm Limited (RInfo)
		23	Reliance Mediaworks Limited (RMWL)
		24	Reliance Money Precious Metals Private Limited (RMPMPL)
		25	Reliance Enterprise and Ventures Private Limited (REVPL)
		26	Reliance Home Finance Limited (RHL)
		27	Reliance Nippon Life Asset Management Limited (RNLAML) (Formerly Reliance Capital Asset Management Company Limited)
		28	Reliance Commercial Finance Limited (RCFL)
		29	Reliance IDC Limited (RIDC)
		30	Nationwide Communication Private Limited (NCPL)

Notes to the standalone financial statements as of and for the year ended March 31, 2017

(c) Details of transactions during the year and closing balances as at the year end:

(₹ Crore)

	Particulars	Year	Subsidiaries	Investing party, Associates and Joint Ventures	Enterprises over which person described in (iv) has significant influence
<b>(a)</b>	<b>Statement of Profit and Loss Heads:</b>				
<b>(I)</b>	<b>Income:</b>				
(i)	Gross Revenue from EPC and Contracts Business	2016-17	-	208.82	-
		2015-16	5.81	1,122.78	-
(ii)	Dividend Received	2016-17	5.05	1.45	-
		2015-16	21.68	121.38	-
(iii)	Interest earned	2016-17	37.23	131.14	9.79
		2015-16	21.73	38.42	2.63
(iv)	Other Income (including Income from Investment Property)	2016-17	19.34	35.70	64.46
		2015-16	17.91	1.00	11.78
<b>(II)</b>	<b>Expenses:</b>				
(i)	(a) Purchase of Power (Including Open Access Charges (Net of Sales)	2016-17	-	1,881.87	41.52
		2015-16	-	2,177.99	31.70
	(b) Purchase of Power -Compensation Bills / IEX (Net of Sales)	2016-17	1.05	-	-
		2015-16	-	-	-
(ii)	Purchase / Services of other items on revenue account	2016-17	0.60	-	0.43
		2015-16	1.40	0.01	-
(iii)	Receiving of Services	2016-17	-	-	38.42
		2015-16	-	0.63	5.93
(iv)	Rent paid	2016-17	-	-	-
		2015-16	-	-	0.08
(v)	Dividend Paid	2016-17	-	90.23	17.31
		2015-16	-	84.92	16.29
(vi)	Interest Paid	2016-17	0.04	9.84	35.02
		2015-16	13.56	-	23.02
<b>(b)</b>	<b>Balance Sheet Heads (Closing Balances):</b>				
(i)	Trade payables, Advances received and other liabilities for receiving of services on revenue and capital account	2016-17	4.22	1,863.22	30.54
		2015-16	0.36	1,903.47	39.76
		2014-15	11.11	2,217.55	36.82
(ii)	Inter Corporate Deposit (ICD) Taken	2016-17	3.65	150.00	175.00
		2015-16	1,428.63	-	175.00
		2014-15	-	-	175.00
(iii)	Investment in Securities	2016-17	2,987.45	6,828.85	-
		2015-16	4,921.47	6,828.82	-
		2014-15	3,739.16	6,689.99	-
(iv)	Inter Corporate Deposit (ICD) Placed	2016-17	464.23	1,564.15	91.84
		2015-16	344.80	564.74	93.25
		2014-15	239.36	539.15	-
(v)	Subordinate Debts	2016-17	5,173.92	-	-
		2015-16	4,424.73	-	-
		2014-15	2,822.67	-	-
(vi)	Trade Receivables, Advance given and other receivables for rendering services	2016-17	85.40	2,376.31	4.75
		2015-16	76.44	2,414.70	11.73
		2014-15	665.96	2,882.80	4.30
(vii)	Interest receivable on Investments and Deposits	2016-17	33.24	75.45	8.32
		2015-16	0.19	34.58	2.22
		2014-15	5.54	67.92	-

# Reliance Infrastructure Limited

## Notes to the standalone financial statements as of and for the year ended March 31, 2017

(₹ Crore)					
	Particulars	Year	Subsidiaries	Investing party, Associates and Joint Ventures	Enterprises over which person described in (iv) has significant influence
(viii)	Other Receivable	2016-17	-	526.11	-
		2015-16	-	-	-
		2014-15	-	-	-
<b>(c)</b>	<b>Contingent Liabilities (Closing balances):</b>				
(i)	Guarantees and Collaterals	2016-17	381.05	300.00	0.24
		2015-16	1,191.23	300.00	0.24
		2014-15	1,321.45	300.00	
<b>(d)</b>	<b>Transactions During the Year:</b>				
(i)	Guarantees and Collaterals provided earlier - expired / encashed / surrendered	2016-17	810.18	-	-
		2015-16	130.21	-	-
(ii)	ICD Given to	2016-17	244.72	1,773.80	0.71
		2015-16	167.58	777.05	143.25
(iii)	ICD Returned by	2016-17	102.14	774.39	2.12
		2015-16	19.11	751.46	50.00
(iv)	Recoverable Expenses:-				
	(a) incurred for related parties	2016-17	4.71	-	0.09
		2015-16	4.60	0.09	-
	(b) incurred by related parties on our behalf	2016-17	3.43	0.48	-
		2015-16	3.08	70.84	0.02
(v)	Investment in Equity	2016-17	0.16	0.02	-
		2015-16	1,445.11	-	-
(vi)	Subordinate Debts given	2016-17	1,217.94	-	-
		2015-16	2,274.40	-	-
(vii)	Cancellation of ICD taken - on merger	2016-17	1,408.63	-	-
		2015-16	-	-	-
(viii)	Purchase of Investments of Subsidiary company	2016-17	582.38	-	-
		2015-16	-	-	-
(ix)	Amount received on Capital Reduction of Investments	2016-17	93.55	-	-
		2015-16	-	-	-
(x)	ICD Taken from	2016-17	3.65	587.50	390.60
		2015-16	1,431.90	-	175.00
(xi)	ICD Repaid to	2016-17	20.00	437.50	390.60
		2015-16	5.32	-	175.00
(xii)	EPC Advance returned	2016-17	-	0.36	-
		2015-16	-	346.67	-
(xiii)	Subordinate Debts returned	2016-17	476.78	-	-
		2015-16	139.25	-	-
(xiv)	Subordinate Debts written off	2016-17	-	-	-
		2015-16	804.65	-	-
(xv)	ICD Written off	2016-17	-	-	-
		2015-16	40.97	-	-
(xvi)	Liability Written Back	2016-17	-	-	-
		2015-16	-	0.02	-
(xvii)	Purchase of Fixed Assets	2016-17	-	-	0.78
		2015-16	-	-	-
(xviii)	Sale of Investments	2016-17	-	-	-
		2015-16	0.03	-	-



Notes to the standalone financial statements as of and for the year ended March 31, 2017

(d) Key Management Personnel (KMP) and details of transactions with KMP:

(₹ Crore)

Name	Category	Years	Salaries	Dividend Paid	Commission & Sitting Fees
Shri Anil D Ambani Chairman	Promoter, Non-executive and Non- Independent Director	2016-17 2015-16	- -	0.12 0.11	5.53 5.53
Shri S. Seth Vice Chairman	Non-executive and Non- Independent Director	2016-17 2015-16	- -	- -	0.12 0.12
Dr V K Chaturvedi		2016-17 2015-16	- -	- -	0.15 0.14
Shri R R Rai upto September 10, 2015		2016-17 2015-16	- -	- -	- 0.12
Shri Shiv Prabhat w.e.f. November 4, 2015		2016-17 2015-16	- -	- -	0.16 0.04
Shri S S Kohli	Independent Director	2016-17 2015-16	- -	- -	0.14 0.17
Shri K Ravikumar		2016-17 2015-16	- -	- -	0.16 0.16
Shri V R Galkar		2016-17 2015-16	- -	- -	0.16 0.13
Ms. Ryna Karani		2016-17 2015-16	- -	- -	0.15 0.13
Shri Lalit Jalan	Chief Executive Officer w.e.f. January 01, 2016	2016-17 2015-16	2.81 0.88	- -	- -
Shri M S Mehta	Chief Executive Officer upto December 31, 2015	2016-17 2015-16	- 3.38	- -	- -
Shri Madhukar Moolwaney	Chief Financial Officer upto June 03, 2016	2016-17 2015-16	1.75 1.49	- -	- -
Shri Sridhar Narasimhan	Chief Financial Officer w.e.f. June 04, 2016	2016-17 2015-16	1.85 -	- -	- -
Shri Ramesh Shenoy	Manager & Company Secretary	2016-17 2015-16	1.17 0.83	- -	- -

(e) Details of Significant Transactions with Related Party

(i) Transactions during the year (Balance Sheet heads)

2016-17

Cancellation of ICD taken on merger of RCoPL ₹ 1,408.63 Crore

2015-16

Investment in Equity of RCPL ₹ 1,445.00 Crore. Subordinate debt given to RDSPL ₹ 1,492.38 Crore. ICD taken from RCoPL ₹ 1,411.90 Crore.

(ii) Balance sheet heads (Closing balance)

2016-17

Trade payables, Advances received and other liabilities for receiving of services on revenue and capital account of CPPL ₹ 1,214.03 Crore. Investment in Equity of RePL ₹ 6,828.42 Crore. Subordinate debt given to RDSPL ₹ 1,509.49 Crore. Trade Receivables, Advances given and other receivables for rendering services SaPoL ₹ 2,356.77 Crore

2015-16

ICD taken from RCoPL ₹ 1,408.63 Crore. Investment in Equity of RePL ₹ 6,828.42 Crore and RCPL ₹ 2,423.01 Crore. Subordinate debt given to RDSPL ₹ 1,492.38 Crore. Trade Receivables, Advances given and other receivables for rendering services SaPoL ₹ 2,408.47 Crore

2014-15

Advance against EPC CPPL ₹ 1,239.74 Crore. Investment in Equity of RePL ₹ 6,689.59 Crore. Trade Receivables, Advances given and other receivables for rendering services SaPoL ₹ 2,345.23 Crore.

(iii) Expenses heads

2016-17

Purchase of Power (including Open access charges – Net of Sales) from VIPL ₹ 1,719.13 Crore

2015-16

Purchase of Power (including Open access charges – Net of Sales) from VIPL ₹ 2,014.01 Crore

# Reliance Infrastructure Limited

## Notes to the standalone financial statements as of and for the year ended March 31, 2017

### Note:

- 1) The above disclosure does not include transactions with/as public utility service providers, viz, electricity, telecommunications etc. in the normal course of business.
- 2) The closing balances of the balance sheet items are as per Ind AS financial statements except for Ind AS adjustments pertaining to Power Purchase Agreement with VIPL (Refer Note 32).
- 3) Transactions with Related Party which are in excess of 10% of the Total Revenue (including regulatory Income) of the Company are considered as Material Related Party Transactions. Total Revenue (including regulatory Income) for 2016-17 and 2015-16 is as per Ind AS and 2014-15 is as per Previous GAAP.
- 4) Includes contractual interest payments based on the interest rate prevailing at the reporting date

### 37. Segment Reporting

#### (a) Description of segments and principal activities

The Company operates in two Business Segments namely Power and Engineering, Procurement, Construction (EPC) and Contracts. Business segments have been identified as reportable segments based on how the CODM examines the Company's performance both from a product and geographic perspective. The inter segment pricing is effected at cost. Segment accounting policies are in line with the accounting policies of the Company.

The Power segment is engaged in generation, transmission and distribution of electrical power at various locations. The Company operates a 500 MW Thermal Power Station at Dahanu, a 220 MW Combined Cycle Power Plant at Samalkot, a 48 MW Combined Cycle Power Plant at Mormugao, a 9.39 MW Wind-farm at Chitradurga and also purchases power from third parties and supplies the power through the Company's own distribution grid in suburbs of Mumbai.

EPC and Contracts segment of the Company renders comprehensive value added services in construction, erection, commissioning and contracting.

#### (b) Summary of Segment information is as under:

The expenses and income that are not directly attributable to any business segment are shown as unallocable income ( net of unallocable expenses). Interest income and finance cost are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Company.

Particulars	Year ended March 31, 2017			Year ended March 31, 2016		
	Power	EPC & Contracts	Total	Power	EPC & Contracts	Total
<b>Revenue</b>						
External Sales	7,929.24	1,598.20	9,527.44	7,555.52	2,644.93	10,200.45
Inter-segment Sales	-	-	-	-	-	-
Total Revenue	7,929.24	1,598.20	9,527.44	7,555.52	2,644.93	10,200.45
<b>Result</b>						
Segment Result	1,934.59	251.44	2,186.03	1,200.61	852.56	2,053.17
Unallocated Income net of Unallocable Expenses			(113.90)			(441.14)
Exceptional Item -Unallocable Segment- (Refer Note No 22)			(153.33)			(40.97)
Finance Costs			(2,709.89)			(2,262.53)
Interest Income including fair valuation of financial instruments			1,995.82			1,888.18
Profit before Taxation			1,204.73			1,196.71
Taxes			(83.68)			202.63
Profit after Tax			1,288.41			994.08
Capital Expenditure *	478.73	0.18		460.37	0.13	
Depreciation *	832.38	64.42		816.76	78.13	
Non Cash expenses other than depreciation *	122.99	0.22		123.24	63.85	

\* Only pertaining to the segment

**Notes to the standalone financial statements as of and for the year ended March 31, 2017**
**(c) Segment Revenue**

Sales between segments are carried out at arm's length and are eliminated on consolidation. The segment revenue is measured in the same way as in the Statement of Profit and Loss.

Particulars	Year ended March 31, 2017			Year ended March 31, 2016		
	Total segment revenue	Inter segment revenue	Revenue from external customers	Total segment revenue	Inter segment revenue	Revenue from external customers
Segment Revenue						
Power Business (incl Regulatory Income)	<b>7,929.24</b>	-	<b>7,929.24</b>	7,555.52	-	7,555.52
EPC & Contracts Business	<b>1,598.20</b>	-	<b>1,598.20</b>	2,644.93	-	2,644.93
Total Segment Revenue	<b>9,527.44</b>	-	<b>9,527.44</b>	10,200.45	-	10,200.45

**(d) Segment Assets**

Segment assets are measured in the same way as in the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset. Assets which can't be allocated to any of the segments are shown as Unallocated Assets.

Investments & derivative financial instruments held by the Company are not considered to be segment assets but are managed by the treasury function.

Particulars	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
Power	<b>21,423.33</b>	22,186.05	23,004.17
EPC & Contracts	<b>5,482.86</b>	6,417.91	8,203.93
Unallocated	<b>29,867.54</b>	27,303.84	22,122.99
Assets classified as held for sale	<b>661.70</b>	2,856.27	1,411.29
Total Segment Assets	<b>57,435.43</b>	58,764.07	54,742.38

**(e) Segment Liabilities**

Segment liabilities are measured in the same way as in the financial statements. These liabilities are allocated based on the operations of the segment. Liabilities which can't be allocated to any of the segments are shown as Unallocated Liabilities.

The Company's borrowings and derivative financial instruments are not considered to be segment liabilities, but are managed by the treasury function.

Particulars	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
Power	<b>9,802.01</b>	8,334.77	7,111.74
EPC & Contracts	<b>6,390.52</b>	6,724.65	7,200.56
Unallocated	<b>20,247.76</b>	24,406.00	20,564.88
Total Segment Liabilities	<b>36,440.29</b>	39,465.42	34,877.18

**(f) Information about Major Customer**

Revenue from Crest Logistics and Engineers Private Limited of the Company's EPC & Contract Business is ₹ 898.19 Crore (March 31, 2016 – ₹ 1,161.42 Crore) which is more than 10% of the Company's segment revenue.

**(g) Geographical Segment:**

The Company's operations are mainly confined in India. The Company does not have material earnings from business segment outside India. As such, there are no reportable geographical segments.

### 38. (A) Standby Charges:

In the matter of liability of ₹ 515.60 Crore of standby charges with the Tata Power Company Limited (TPC) determined by MERC for the period April 1, 1998 to March 31, 2004, which the Company has fully accounted for, the Appellate Tribunal of Electricity (ATE) determined the total liability at ₹ 500 Crore and directed TPC to refund ₹ 354 Crore (inclusive of interest of ₹ 15 Crore upto March 31, 2004) to the Company plus interest @ 10% p.a. commencing from April 1, 2004 till the date of payment. Against the said order, TPC filed an appeal with the Supreme Court. The Hon'ble Supreme Court passed an interim order dated February 7, 2007 granting stay of the impugned order of the ATE subject to the condition that, TPC furnish a bank guarantee in the sum of ₹ 227 Crore and, in addition, deposit a sum of ₹ 227 Crore with the Registrar General of the Court which may be withdrawn by the Company subject to the Company giving an undertaking that in the event of the appeal being decided against the Company, wholly or in part, the amount as may be found refundable by the Company shall be refunded to TPC without demur together with interest as may be determined by the Court. The Company accordingly withdrew the amount of ₹ 227 Crore after complying with the conditions specified and has accounted the said amount as Other Liabilities pending final adjustment. Moreover, pending final order of the Hon'ble Supreme Court, the Company has not accounted for the reduction in standby charges liability of ₹ 15.60 Crore as well as interest amount determined by ATE as payable by TPC to the Company.

### (B) Take or Pay and Additional Energy Charges:

Pursuant to the order passed by MERC dated December 12, 2007, in case No. 7 of 2002, TPC has claimed an amount of ₹ 323.87 Crore towards the following:

- Difference in the energy charge for energy supplied by TPC at 220 kV interconnection for the period March 2001 to May 2004 along with interest at 24% per annum up to December 31, 2007, and
- Minimum offtake charges for energy for the years 1998-99 to 1999-2000 along with interest at 24% per annum up to December 31, 2007.

In an appeal filed by the Company, ATE held that the amount in the matter (a) above is payable by the Company along with interest at State Bank of India prime lending rate for short term borrowings. The matter (b) was remanded to MERC for redetermination. The Company has filed an appeal against the said order before the Supreme Court, which while admitting the appeal, has restrained TPC from taking any coercive action in respect of the matter stated in (a) above and TPC has also filed an appeal against the said order. The Company has complied with the interim order directions of depositing ₹ 25 Crore with the Registrar of Supreme Court and providing a Bank Guarantee of ₹ 9.98 Crore. The said amount is disclosed under Contingent Liability in Note 15 above.

### 39. Investment in Delhi Airport Metro Express Private Limited:

Delhi Airport Metro Express Private Limited (DAMEPL), a SPV of the Company, terminated the Concession Agreement with Delhi Metro Rail Corporation (DMRC) for the Delhi Airport Metro Line, on account of Material Breach and Event of Default under the provisions of the Concession Agreement by DMRC. The operations were taken over by DMRC with effect from July 1, 2013.

As per the terms of the Concession Agreement, DMRC is now liable to pay DAMEPL a Termination Payment, which is estimated at ₹ 2,823 Crore, as the termination has arisen owing to DMRC's Event of Default. The matter has been referred to arbitration and the arbitration award is awaited. Pending final outcome of the arbitration, the Company continues to fund the statutory and other obligations of DAMEPL post take over by DMRC and accordingly has funded ₹ 279.10 Crore during the year ended March 31, 2017.

Based on the review of the progress in settlement of various claims and also on overall review of financial position of DAMEPL, the Company, as a matter of prudence, had written off the investment of ₹ 355.56 Crore during the year ended March 31, 2016 and ₹ 1,258.20 Crore was written off during the year ended March 31, 2015, out of total investment of ₹ 2,339.95 Crore in DAMEPL. However, as legally advised, DAMEPL's claims for the termination payments are considered fully enforceable.

### 40. Scheme of Amalgamation of Reliance Infraprojects Limited (RInfl) with the Company:

The Hon'ble High Court of Judicature of Bombay had sanctioned the Scheme of Amalgamation of Reliance Infraprojects Limited (RInfl) with the Company on March 30, 2011 with the appointed date being April 01, 2010. As per the clause 2.3.7 of the Scheme, the Company, as determined by its Board of Directors, is permitted to adjust foreign exchange / hedging / derivative contract losses / gains debited / credited in the Statement of Profit and Loss by a corresponding withdrawal from or credit to General Reserve.

Pursuant to the option exercised under the above Scheme, net gain on account of derivative instruments / forward contracts of ₹ 27.34 Crore for the year ended March 31, 2017 has been credited to the Statement of Profit and Loss and an equivalent amount has been transferred to General Reserve. Similarly, foreign exchange loss of ₹ 272.36 Crore (₹ Nil attributable to finance cost) has been debited to Statement of Profit and Loss and an equivalent amount has been withdrawn from General Reserve. The Company has been legally advised that crediting and debiting of the said amount in Statement of Profit and Loss is in accordance with Schedule III to the Act. Had such transfer / withdrawal not been done, the Profit before tax for the

**Notes to the standalone financial statements as of and for the year ended March 31, 2017**

year ended March 31, 2017 would have been lower by ₹ 245.02 Crore and General Reserve would have been higher by an equivalent amount. The treatment prescribed under the Scheme override the relevant provisions of Ind AS 1: "Presentation of Financial Statements".

During the financial year ended March 31, 2016, under the Previous GAAP in accordance with the above scheme, the Board of Directors had exercised an option to adjust the foreign exchange / hedging / derivative contracts losses / gains debited / credited to Statement of Profit and Loss by a corresponding withdrawal / transfer from / to General Reserve. Accordingly, foreign exchange gain of ₹ 36.72 Crore, foreign exchange loss attributable to finance cost of ₹ 252.50 Crore and loss on derivative contracts of ₹ 27.04 Crore was credited / debited to Statement of Profit and Loss and an equivalent amount was transferred to / withdrawn from General Reserve.

However, pursuant to the adoption of Ind AS from April 1, 2016 with the transition date of April 01, 2015, the net exchange gain (net of derivative loss) of ₹ 9.68 Crore for the year 2015-16 turned into a loss of ₹158.26 Crore mainly on account of impact of fair valuation of financial instruments including derivative instruments. Since, the Board of Directors had already approved to adjust the foreign exchange losses / gains by equivalent withdrawal / transfer to general reserve it also approved to withdraw the additional exchange loss (including derivative loss) as a result of Ind AS adjustments of ₹ 167.94 Crore debited to the Statement of Profit and Loss for the year ended March 31, 2016 from General Reserve.

Had such withdrawal not been done, the Profit before Tax for the year ended March 31, 2016 would have been lower by ₹ 410.76 Crore (including loss of ₹ 252.50 Crore attributable to finance cost) and General Reserve would have been higher by an equivalent amount. The treatment prescribed under the Scheme overrides the relevant provisions of Previous GAAP AS -5 "Net Profit or loss for the period, prior period items and changes in Accounting Policies and Ind AS - 1 "Presentation of Financial Statements".

41. In accordance with Ind AS 101-First time adoption of Indian Accounting Standards, the Company has opted to continue the policy as prescribed vide the notification dated December 29, 2011 issued by the Ministry of Corporate Affairs. Accordingly, the Company has exercised the option given in paragraph 46A of the Accounting Standard-11 "The Effects of Changes in Foreign Exchange Rates" in Previous GAAP of capitalising the foreign exchange loss/gain arising on long term foreign currency monetary items relating to acquisition of depreciable capital assets and depreciating the same over the balance life of such assets and in other cases amortising the foreign exchange loss/gain over the balance period of such long term foreign currency monetary items. Accordingly, the Company has carried forward the unamortised portion of net gain of ₹ 71.59 Crore as on March 31, 2017 (March 31, 2016 - ₹ 6.97 Crore, April 01, 2015 - (₹ 71.68) Crore) in "Foreign Currency Monetary Item Translation Difference Account" and the same is grouped under 'Other Equity'.

**42. Exceptional Items:**

Particulars	(₹ Crore)	
	Year ended March 31, 2017	Year ended March 31, 2016
<b>Exceptional items withdrawn from General Reserve pursuant to Scheme of Amalgamation (Refer Note below)</b>		
Write off of EPC Advances as Bad debts	<b>555.58</b>	-
Investment written off in Delhi Airport Metro Express Private Limited	-	355.56
Investment written off in Mumbai Metro One Private Limited	-	305.00
Investment written off in GF Toll Road Private Limited	-	144.09
Bad debts of Goa Power Station	-	143.97
(A)	<b>555.58</b>	<b>948.62</b>
<b>Other exceptional items</b>		
Loss on sale of Investment in Reliance Cement Company Private Limited	<b>153.33</b>	-
Write off of ICD given to Reliance Sea Link One Private Limited	-	40.97
(B)	<b>153.33</b>	<b>40.97</b>
Total Exceptional items	(A+B) <b>708.91</b>	<b>989.59</b>

In terms of the Scheme of amalgamation of Reliance Cement Works Private Limited with Western Region Transmission (Maharashtra) Private Limited (WRTM) wholly owned subsidiary of the Company, which was subsequently amalgamated with the Company w.e.f. April 1, 2013, the Board of Directors of the Company during the year ended March 31, 2017 determined an amount of ₹ 555.58 Crore (₹ 948.62 Crore) as Exceptional items stated above which was debited to the Statement of Profit and Loss and an equivalent amount has been withdrawn from General Reserve. Had such withdrawal not been done, the Profit before tax for the year ended March 31, 2017 would have been lower by ₹ 555.58 Crore (₹ 948.62 Crore) and General Reserve would have been higher by an equivalent amount. The treatment prescribed under the Scheme overrides the relevant provisions of Ind AS 1 "Presentation of Financial Statements".

# Reliance Infrastructure Limited

## Notes to the standalone financial statements as of and for the year ended March 31, 2017

### 43. The Acquisition of Reliance Defence and Engineering Limited (RDEL) (formerly Pipavav Defence and Offshore Engineering Company Limited) through Open Offer

During the year ended March 31, 2016, Reliance Defence Systems Private Limited (RDSPL) ("the Acquirer") and Reliance Infrastructure Limited (Person Acting in Concert referred as PAC) made an open offer to the public equity shareholders of RDEL (Target Company) to acquire up to 19,14,13,630 fully paid-up equity shares of face value of ₹ 10 each of RDEL, constituting 26% of the total fully diluted equity share capital at an offer price of ₹ 66 per share (plus ₹ 3.59 per share was paid towards interest at 10% p.a. for delay in payment beyond the scheduled payment date viz. June 15, 2015 as per the original offer till the date of actual payment i.e. December 30, 2015). In terms of the said offer, the Acquirer has acquired 13,87,12,427 shares of RDEL, constituting 18.84% of the voting equity share capital at a total consideration of ₹ 965.30 Crore (including interest of ₹ 49.80 Crore). Subsequently, as per share purchase agreement dated March 4, 2015, the Acquirer also acquired 8,13,90,598 equity shares of RDEL at a total consideration of ₹ 512.76 Crore from erstwhile Promoters of RDEL whereby RDEL has become an associate of RDSPL with holding of 29.90%. During the year ended March 31, 2017, the acquirer has purchased 63,50,000 additional shares of RDEL at a consideration of ₹ 40.01 Crore thereby increasing the holding to 30.76%.

### 44. Disclosure under Ind AS 19 "Employee Benefits":

#### Defined Contribution Plan:

- (i) Provident fund
- (ii) Superannuation fund
- (iii) State defined contribution plans
  - Employer's contribution to Employees' state insurance
  - Employers' Contribution to Employees' Pension Scheme 1995

The provident fund and the state defined contribution plan are operated by the Regional Provident Fund Commissioner and the superannuation fund is administered by the trustees of the Reliance Infrastructure Limited Officer's Superannuation Scheme. Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits.

The Company has recognised the following amounts as expense in the financial statements for the year:

Particulars	2016-17	(₹ Crore) 2015-16
Contribution to Provident Fund	41.58	34.50
Contribution to Employees Superannuation Fund	8.08	6.69
Contribution to Employees Pension Scheme	8.81	9.10
Contribution to Employees State Insurance	-	0.02

#### Defined Benefit Plan:

##### Provident Fund (Applicable to certain Employees):

The benefit involving employee established provident funds, which require interest shortfall to be recompensated are to be considered as defined benefit plans. As per the Audited Accounts of Provident Fund Trust maintained by the Company, the shortfall arising in meeting the stipulated interest liability, if any, gets duly provided for.

##### Gratuity

The Company operates a gratuity plan administered by various insurance companies. Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972 or Company scheme whichever is beneficial. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service.

Notes to the standalone financial statements as of and for the year ended March 31, 2017

(₹ Crore)		
Particulars	Gratuity for the year ended March 31, 2017	Gratuity for the year ended March 31, 2016
Starting Period	01-Apr-16	01-Apr-15
Date of Reporting	31-Mar-17	31-Mar-16
<b>Assumptions</b>		
Expected Return On Plan Assets	7.01%	7.85%
Rate of Discounting	7.01%	7.85%
Rate of Salary Increase	9.75%	9.50%
Rate of Employee Turnover	5.00%	5.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality Rate After Employment	N.A.	N.A.
<b>Change in the Present Value of Defined Benefit Obligation</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>
Present value of Benefit Obligation at the beginning of the year	477.16	419.75
Liability Transferred Out	-	(0.53)
Liability Transferred In	-	0.77
Interest Cost	37.40	33.20
Current Service Cost	26.98	26.52
Benefit Paid Directly by the Employer	(23.61)	(21.43)
Benefit Paid From the Fund	-	(0.54)
Actuarial Losses on Obligation-Due to Change in Financial Assumptions	41.18	25.62
Actuarial (Gain) / Losses on Obligation-Due to Change in Demographic Assumptions	0.60	(6.67)
Actuarial Losses on Obligation-Due to Experience	3.08	0.47
<b>Present Value of Benefit Obligation at the end of the year</b>	<b>562.79</b>	<b>477.16</b>
<b>Change in the Fair Value of Plan Assets</b>		
Fair Value of Plan Asset at the beginning of the year	378.75	365.33
Asset Transferred In / Out	0.83	-
Asset Transferred Out / Divestment	(1.20)	(0.67)
Interest Income	29.73	28.88
Benefit Paid From the Fund	-	(0.54)
Return on Plan Assets Excluding Interest Income	14.41	(14.25)
<b>Fair Value of Plan Asset at the end of the year</b>	<b>422.52</b>	<b>378.75</b>
<b>Amount Recognised in the Balance Sheet</b>		
Present Value of Benefit Obligation at the end of the year	(562.79)	(477.16)
Fair Value of Plan Assets at the end of the year	422.52	378.75
<b>Funded Status (Deficit)</b>	<b>(140.27)</b>	<b>(98.41)</b>
<b>Net (Liability) Recognized in the Balance Sheet</b>	<b>(140.27)</b>	<b>(98.41)</b>
<b>Provisions</b>		
<b>Current</b>	<b>(140.27)</b>	<b>(98.41)</b>
<b>Non-Current</b>	<b>-</b>	<b>-</b>
<b>Expenses Recognized in the Statement of Profit and Loss</b>		
Current Service Cost	26.98	26.52
Net Interest Cost	7.67	4.32
Expenses Recognised	34.65	30.84
Expenses Recognised in Other Comprehensive Income (OCI)		
Actuarial Losses on Obligation for the year	44.86	19.42
Return on Plan Assets Excluding Interest Income	(14.41)	14.25
Net Expenses for the year recognised in OCI	30.45	33.67
<b>Major Categories of plan asses as a percentage of total</b>		
<b>Insurance Fund</b>	<b>100%</b>	<b>100%</b>
<b>Prescribed Contribution For Next Year</b>	<b>33.19</b>	<b>32.31</b>



# Reliance Infrastructure Limited

## Notes to the standalone financial statements as of and for the year ended March 31, 2017

<b>Maturity Analysis of Project Benefit Obligation : From Fund</b>	-	-
Projected Benefit in Future Years from the Date of Reporting	-	-
Within next 12 months	<b>62.31</b>	45.80
Between 2 to 5 years	<b>170.60</b>	117.47
Between 6 to 10 years	<b>253.39</b>	197.55
Beyond 10 years	<b>76.49</b>	116.34
<b>Sensitivity Analysis</b>	-	-
Increase / (Decrease) in Present value of Defined Benefits Obligation at the end of the year	<b>562.79</b>	476.41
<b>Assumptions – Discount Rate</b>		
<b>Sensitivity Level</b>	<b>1%</b>	1%
Impact on defined benefit obligation –in % increase	<b>(6.77%)</b>	(6.53%)
Impact on defined benefit obligation –in % decrease	<b>7.68%</b>	7.39%
<b>Assumptions – Future Salary Increase</b>		
<b>Sensitivity Level</b>	<b>1%</b>	1%
Impact on defined benefit obligation –in % increase	<b>7.40%</b>	7.20%
Impact on defined benefit obligation –in % decrease	<b>(6.67%)</b>	(6.50%)
<b>Assumptions – Employee Turnover</b>		
<b>Sensitivity Level</b>	<b>1%</b>	1%
Impact on defined benefit obligation –in % increase	<b>(1.24%)</b>	(0.77%)
Impact on defined benefit obligation –in % decrease	<b>1.37%</b>	0.84%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

### 45. Disclosure of Loans and Advances in the nature of loans to Subsidiaries and Associates (Pursuant to Regulation 34(3) and 53(f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015):

2015).

		(₹ Crore)				
Sr. No.	Name	Amount Outstanding as at			Maximum Amount Outstanding during the year	
		March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016
	<b>Subsidiaries:</b>					
1	Mumbai Metro One Private Limited	<b>421.18</b>	283.80	133.80	<b>421.18</b>	283.80
2	PS Toll Road Private Limited #	<b>2.00</b>	-	-	<b>2.00</b>	-
3	DA Toll Road Private Limited #	<b>15.44</b>	11.45	2.68	<b>15.44</b>	11.45
4	Delhi Airport Metro Express Private Limited #	<b>18.00</b>	18.00	18.00	<b>18.00</b>	18.00
5	SU Toll Road Private Limited #	-	-	-	-	-
6	Reliance Electric Generation & Supply Private Limited#	<b>0.11</b>	-	-	<b>0.15</b>	-
7	Reliance Sealink One Private Limited	-	-	40.66	-	40.97
8	TK Toll Road Private Limited #	<b>7.50</b>	7.50	-	<b>7.50</b>	7.50
9	Reliance Defence Systems Private Limited	-	-	18.11	-	-
10	Space Trade Enterprises Private Limited *	-	22.45	22.45	<b>22.45</b>	22.45
11	Spice Commerce & Trade Enterprise Private Limited *	-	1.60	1.60	<b>1.60</b>	1.60
12	Skyline Global Trade Private Limited *	-	-	2.05	<b>0.70</b>	2.05
13	Reliance Energy Trading Limited	-	-	-	-	1.00
	<b>Associates including Subsidiaries of Associates:</b>					
14	Reliance Power Limited	<b>507.60</b>	212.69	539.15	<b>507.60</b>	539.15
15	Sasan Power Limited	-	-	-	<b>57.00</b>	-
16	Reliance Defence and Engineering Limited	<b>933.15</b>	322.40	-	<b>933.15</b>	322.40
17	E-Complex Private Limited	<b>78.30</b>	10.05	-	<b>78.30</b>	10.05
18	Reliance Marine & Offshore Private Limited	<b>45.10</b>	19.60	-	<b>45.10</b>	19.60

\* Subsidiary till September 30, 2016

# Except for these companies, all loans and advances stated above carry interest.

There are no investments by loanees as at March 31, 2017 in the shares of the Company and Subsidiary Companies.

**Notes to the standalone financial statements as of and for the year ended March 31, 2017**

As at the year-end, the Company-

- (a) has no loans and advances in the nature of loans to firms / companies in which directors are interested.
- (b) The above amounts exclude subordinate debts.

**46. Disclosure pursuant to Indian Accounting Standard (Ind AS) 11 "Construction Contracts"**

		(₹ Crore)		
Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
1	Amount of Contract Revenue Recognised during the year	<b>1,578.66</b>	2,569.24	2,620.22
2	Aggregate amount of costs incurred and recognised profits (less recognised losses) upto the reporting date.	<b>39,227.08</b>	40,725.28	39,549.49
3	Amount of customer advances outstanding for contracts in progress	<b>2,129.42</b>	1,688.65	1,923.23
4	Retention amount due from customers for contracts in progress	<b>1,133.62</b>	564.23	2,002.62
5	Gross amount due from customers for contract works as an asset	<b>328.64</b>	441.69	453.40

47. The Board of Directors at its meeting held on March 16, 2016 had approved the Scheme of restructuring envisaging transfer of various operating divisions of the Company, namely Dahanu Thermal Power Station (DTPS), Goa Power Station, Samalkot Power Station, Mumbai Power Transmission Division, Mumbai Power Distribution Division and Windmill Division (together considered as Power Business,) to its resulting wholly owned subsidiary viz. Reliance Electric Generation & Supply Private Limited with appointed date of April 1, 2016. The scheme received the approval of the Hon'ble Bombay High Court on January 19, 2017. The Company has filed an application on March 16, 2017 for change in effective date of demerger from April 01, 2016 to April 01, 2017 with Hon'ble Bombay High Court. The scheme is effective subject to various approvals and accordingly no effect of the said scheme is given in the books of account and based on the legal advice received, has not been considered as Non Current Assets held for sale as per Ind AS 105 "Non Current Assets held for sale and discontinued operations".

48. On October 5, 2016, the Company signed Term Sheet with Adani Transmission Limited (ATL) for sale of its assets in Western Region Strengthening Scheme (WRSS) projects and entire investment in subsidiary, Parbati Koldam Transmission Company Limited (PKTCL). On December 6, 2016, the Company executed Share Purchase Agreement with ATL for 100% sale of its WRSS Transmission Assets. The said transfer / sale is subject to various condition precedents and approvals and based on the legal advice received, has not been considered as Non Current Assets held for sale as per Ind AS 105 "Non Current Assets held for sale and discontinued operations".

49. The Hon'ble High Court of Bombay vide order dated September 08, 2016, approved the Scheme of Amalgamation of a wholly owned subsidiary of the Company. Reliance Concrete Private Limited with the Company with effect from March 01, 2016 (the appointed date). The following accounting treatment, inter-alia, has been given effect to the Scheme as approved by the Hon'ble High Court of Bombay:

- (a) The amalgamation has been accounted for under " Pooling of Interest Method" as prescribed under AS 14 "Accounting for Amalgamations" of Previous GAAP.
- (b) All assets and liabilities have been recorded in the books at their respective book values, intercompany balances, if any, have been eliminated and the excess amount arising out of the above of ₹ 1,402.95 Crore has been credited to the Capital Reserve. The retained earnings of Reliance Concrete Private Limited (RCCPL) as on March 31, 2016 of ₹ 5.68 Crore has been transferred to retained earnings.

Had the accounting been done as per Ind AS 103" Business Combinations", there would have been no impact on financial statements.

**50. Capital Reduction Scheme:**
**a) Reliance Energy Trading Limited**

Pursuant to the sanction of the Capital Reduction Scheme of M/s. Reliance Energy Trading Limited (RETL), a wholly owned subsidiary of the Company, by the Hon'ble High Court of Judicature of Bombay vide order dated May 6, 2016, RETL reduced its equity share capital and securities premium account to the tune of ₹ 28.55 Crore. As per the scheme, the said capital reduction was to be utilized by paying an equivalent amount to the shareholders of the Company and accordingly an amount of ₹ 28.55 Crore was paid by RETL to the Company against the said capital reduction scheme.

**b) BSES Kerala Power Limited**

Pursuant to the sanction of the Capital Reduction Scheme of M/s BSES Kerala Power Limited (BKPL), a wholly owned subsidiary of the Company, by the Hon'ble High Court of Judicature of Kerala, vide order dated May 28, 2016, BKPL reduced its equity share capital to the tune of ₹ 65 Crore. As per the scheme, the said capital reduction was to be utilized by paying an equivalent amount to the shareholders of the Company and accordingly an amount of ₹ 65 Crore was paid by BKPL to the Company against the said capital reduction scheme.

# Reliance Infrastructure Limited

## Notes to the standalone financial statements as of and for the year ended March 31, 2017

### 51. Interest in Jointly Controlled Operations:

The Company along with M/s. Geopetrol International Inc. and Reliance Natural Resources Limited \*(the consortium) was allotted 4 Coal Bed Methane (CBM) blocks from Ministry of Petroleum and Natural Gas (Mo PNG) covering an acreage of 3,266 square kilometers in the States of Madhya Pradesh, Andhra Pradesh and Rajasthan. The consortium had entered into a contract with Government of India for exploration and production of these four CBM blocks. The Company as part of the consortium has proportionate share in each of the four blocks.

M/s Geopetrol International Inc is the operator on behalf of the consortium for all the four CBM blocks.

Also, the Company along with M/s. Geopetrol International Inc, Naftogaz India Private Limited and Reliance Natural Resources Limited \*(the consortium) was allotted Oil and Gas block from Ministry of Petroleum and Natural Gas (MoPNG), in the State of Mizoram under the New Exploration Licensing Policy (NELP-VI) round, covering an acreage of 3,619 square kilometers and the consortium had signed a production sharing contract with the Government of India for exploration and production of Oil and Gas from block. The Company as part of the consortium has 70% share in the block. M/s Naftogaz India Private Limited was the operator on behalf of the consortium for the block.

#### Disclosure of the Company's share in Joint Controlled Operations:

Name of the Field in the Joint Venture	Location (Onshore Blocks)	Participating Interest (%)	Participating Interest (%)
		March 31, 2017	March 31, 2016
SP-(North) – CBM – 2005 / III	Sohagpur, Madhya Pradesh	55 %**	45 %**
KG(E) – CBM – 2005 / III	Kothagudem, Andhra Pradesh	45 % ***	45 % ***
BS(4) – CBM – 2005 / III	Barmer, Rajasthan	45 % ****	45 % ****
BS(5) – CBM – 2005 / III	Barmer, Rajasthan	45 % ****	45 % ****
MZ-ONN-2004 / 2	Mizoram	70 % *****	70 % *****

\*\*The Board of Directors of the Company has approved the transfer of operatorship from M/s Geopetrol International Inc to the Company on February 14, 2015.

\*\*\* The consortium experienced inordinate delays in Government clearances, non receipt of Petroleum Exploration License (PEL) for more than 5 years and consequently relinquished its rights in respect of the block at Kothagudem, Andhra Pradesh vide letter dated February 6, 2013 and the reply from the Government is awaited. Pending reply from the Government, the consortium vide letter dated November 21, 2013 communicated to Directorate General of Hydrocarbons (DGH) / MoPNG that the abnormal delays has made it impossible for the consortium to pursue performance under the contract. Under these circumstances, the contract is not effective and became incapable of being executed and that the consortium has no further obligations with respect to the said CBM Block. Liability, if any, which may arise on this relinquishment, is presently not ascertainable.

\*\*\*\* The consortium had experienced inordinate delays in receipt of clearances/permissions from State Government of Rajasthan. Timely grant of requisite approvals was beyond the control of the Consortium and the abnormal delay in the grant of requisite approvals/clearances and also abnormal delay in response on request of grant of extension of Phase-I by DGH, made the Consortium incapable of performance. In view of the difficulties faced, the Consortium relinquished all rights with respect to both the CBM blocks vide letter dated November 21, 2013 to the Government of India and it stated that the consortium has no further obligations with respect to the CBM Blocks. Liability, if any, which may arise on this relinquishment, is presently not ascertainable.

\*\*\*\*\* MoPNG, Government of India in October 2012, after six years of the award of block, observed that NaftoGaz India Limited had falsely represented itself as the subsidiary of NaftoGaz of Ukraine at the time of bidding and served notice of termination to all consortium members referring relevant clause of NELP-VI notice inviting offer (NIO) and Article 30.3(a) of the Production Sharing Contract (PSC) and demanded to pay penalty towards unfinished minimum work program. The Company has received letter dated April 16, 2015 from DGH to deposit USD 9,467,079 as cost of unfinished Minimum Work Program (MWP) to MoPNG. The claim has been contested by the Company vide letter dated June 21, 2014, May 25, 2015 and March 5, 2016. The said amount is disclosed under Contingent Liability in Note No 15 above.

The above joint ventures are unincorporated joint ventures carrying out jointly controlled operations. Based on the audited statement of accounts of the consortium forwarded by the Operator, except for Mizor Block, the Company's share in respect of assets and liabilities and expenditure for the year have been accounted as under.

Particulars	(₹ Crore)		
	2016-17	2015-16	2014-15
Expenses	0.70	0.96	0.96
Other Assets	4.47	3.73	3.86
Current Liabilities	0.02	0.02	0.04

(\* Share of RNRL has since been demerged to 4 Subsidiary Companies of Reliance Power Limited).

**Notes to the standalone financial statements as of and for the year ended March 31, 2017**
**52. (i) Disclosure as required under Ind AS – 17 (ii) "Leases" is given below:**

- (a) The Company has entered into cancellable / non-cancellable leasing agreement for office, residential and warehouse premises renewable by mutual consent on mutually agreeable terms.
- (b) Future minimum lease payments under non-cancellable operating lease are as under:

**(₹ Crore)**

Particulars	Lease Rental Debited to Statement of Profit and Loss (Cancellable and Non cancellable)	Future Minimum Lease Rentals			Period of Lease*
		Less Than 1 Year	Between 1 to 5 Years	More than 5 Years	
Office Premises and Warehouses	39.82	1.91	2.85	–	Various

\*The lease terms are renewable on a mutual consent of lessor and Lessee.

**(ii) Assets taken on Finance Lease**

The finance lease obligation relate to the 25-year power purchase agreement under which Vidarbha Industries Power Limited, a subsidiary of Reliance Power Limited, sells all of its electricity output of its power plant at Butibori village in Nagpur, Maharashtra (In two units of 300 MW each (thermal power project) to the Company as the sole offtaker.

The effective interest rate implicit in the finance lease is 10.88%.

Following table summarises the reconciliation of lease liabilities in the arrangement:

**(₹ Crore)**

	Gross Value of Finance Lease Liabilities			Present Value of Finance Lease Liabilities		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
- Not later than one year	<b>509.47</b>	509.47	509.47	<b>52.66</b>	47.25	42.40
- Later than one year and not later than five years	<b>2,037.87</b>	2,037.87	2,037.87	<b>278.17</b>	249.62	224.38
- Later than five years	<b>8,358.92</b>	8,873.23	9,382.70	<b>3,886.58</b>	3,972.64	4,045.14
Total	<b>10,906.26</b>	11,420.57	11,930.04	<b>4,217.41</b>	4,269.51	4,311.92
Less: future interest	<b>6,688.85</b>	7,151.06	7,618.12			
Present Value of Minimum Lease Liabilities	<b>4,217.41</b>	4,269.51	4,311.92			

The lease arrangement is for a non-cancellable period of twenty-five years without the option to purchase the leased plant after that period. The Company makes payment to the lessor variable costs which are in the nature of contingent rental that are recognised in the Statement of Profit and Loss amounting to ₹ 1,210.41 Crore (March 31, 2016: ₹ 1,504.54 Crore).

The fair value is determined by discounting projected cash flows using the interest rate yield curve for the remaining term to maturities adjusted for credit spread. The fair value of lease liabilities falls into level 3 of the fair value hierarchy. Refer Note No.54 for fair value disclosure of lease liabilities.

**53. First-time Adoption of Ind AS**
**Transition to Ind AS**

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended March 31, 2017, the comparative information presented in these financial statements for the year ended March 31, 2016 and in the preparation of an opening Ind AS balance sheet at April 1, 2015 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (Previous GAAP or Indian GAAP or IGAAP). An explanation of how the transition from Previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

**A. Exemptions and Exceptions availed**

In preparing these Ind AS financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101 "First Time adoption of Indian Accounting Standards", as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS

and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the Company in restating its Previous GAAP financial statements, including the Balance Sheet as at April 1, 2015 and the financial statements as at and for the year ended March 31, 2016.

### **A.1 Ind AS Optional Exemptions**

#### **A1.1 Business Combinations**

Ind AS 101 provides the option to apply Ind AS 103 "Business Combinations" prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Company elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated. The Company has applied same exemption for investment in associates and joint ventures.

#### **A1.2 Deemed Cost**

The Company has elected to measure items of property, plant and equipment at fair value at the date of transition to Ind AS. Hence at the date of transition to Ind AS, an increase of ₹ 7,786.48 Crore (March 31, 2016 ₹ 7,478.46 Crore) was recognised in property, plant and equipment. This amount has been recognised against retained earnings.

#### **A1.3 Designation of previously recognised financial instruments**

Ind AS 101 allows the Company to designate investments in equity instruments at FVTPL on the basis of the facts and circumstances at the date of transition to Ind AS.

The Company has elected to apply this exemption for its investment in equity investments.

#### **A1.4 Leases**

Appendix C to Ind AS 17 "Leases" requires the Company to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

The Company has elected to apply this exemption for such contracts/arrangements.

#### **A1.5 Investments in Subsidiaries, Joint ventures and Associates**

Ind AS 101 permits a first time adopter to measure its investment, at the date of transition, at cost determined in accordance with Ind AS 27, or deemed cost. The deemed cost of such investment can be its fair value at date of transition to Ind AS, or IGAAP carrying amount at that date. Paragraph D15 of Ind AS 101 allows the choice between fair value and IGAAP carrying amount for each of its investments in subsidiaries, joint ventures or associates that it elects to measure using deemed cost.

The Company has elected to measure its investment in its associate Reliance Power Limited at fair value on transition date and used this fair value as deemed cost. Other investments in subsidiary companies, associate companies and joint venture companies are carried at the IGAAP carrying amount as their deemed cost on the transition date.

#### **A1.6 Long Term Foreign Currency Monetary Items**

Ind AS 101 provides an exemption to account for exchange differences arising on translation of such items as per Previous GAAP (on application of Para 46A of AS-11 "The Effects of Changes in Foreign Exchange Rates" of Previous GAAP) can be continued under Ind AS for items outstanding as on March 31, 2016.

The Company has elected to apply this exemption for its long term foreign currency borrowings and investments.

### **A.2 Ind AS mandatory exceptions**

#### **A2.1 Estimates**

The Company's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with Previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Previous GAAP:

- Investment in equity instruments carried at FVTPL;
- Investment in debt instruments carried at FVTPL; and
- Impairment of financial assets based on expected credit loss model.

Notes to the standalone financial statements as of and for the year ended March 31, 2017

**A2.2 Classification and Measurement of Financial Assets**

Ind AS 101 requires the Company to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

**B. Transition to Ind AS- Reconciliation**

Ind AS 101 requires the Company to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from Previous GAAP to Ind AS.

**(a) Reconciliation of Profit as per Ind AS with profit reported under Previous GAAP is as under:**

(₹ Crore)			
Sr. No.	Particulars	Note No.	Year Ended March 31, 2016
	<b>Net Profit after tax reported as per Previous GAAP</b>		1,985.82
1	Depreciation impact on fair valuation of Property, Plant and Equipment (PPE)	1	(308.02)
2	Gain/(Loss) on fair valuation/measurement of Investments	3	(350.32)
3	Arrangements accounted as Financial Assets under service concession arrangements	4	(68.05)
4	Financial Assets/Liabilities measured at amortised cost	5	212.39
5	Expected Credit Loss on Financial Assets	6	(441.21)
6	Power Purchase Agreement accounted as finance lease	10	(176.71)
7	Recalculation of borrowing cost as per Effective Interest Rate methodology	11	42.98
8	Other Adjustments		(34.88)
9	Deferred Tax on Ind AS adjustments	13	132.08
10	<b>Net Profit after tax as per Ind AS</b>		<b>994.08</b>
11	Other Comprehensive income / (expenses) (net of tax)		(26.67)
12	<b>Total Comprehensive income reported under Ind AS</b>		<b>967.41</b>

**(b) Reconciliations of other Equity between Previous GAAP and Ind AS**

(₹ Crore)				
Sr. No.	Particulars	Note No.	As at March 31, 2016	As at April 01, 2015
	<b>Other Equity (Reserves and Surplus) as per Previous GAAP</b>		<b>21,447.10</b>	20,924.37
1	Fair Valuation of Property Plant and Equipment on transition date and considered as deemed cost	1	<b>7,478.46</b>	7,786.48
2	Fair Valuation of Investments as deemed cost on transition date	2	<b>3,978.65</b>	3,978.65
3	Gain / (Loss) on fair valuation / remeasurement of financial instruments	3	<b>(8,202.01)</b>	(7,742.64)
4	Decrease in Property, Plant and Equipment- Service Concession Arrangements accounting under Appendix 'A' -Ind AS 11	4	<b>(2,046.17)</b>	(1,887.36)
5	Increase in Financial Assets (Service Concession Receivable) - Service Concession Arrangements accounting under Appendix 'A' -Ind AS 11	4	<b>1,382.27</b>	1,291.51
6	Long Term Retention Receivable measured at amortised Cost	5	<b>(9.77)</b>	(298.71)
7	Long Term Retention Payable measured at amortised Cost	5	-	76.55
8	Provision for Expected Credit Loss in respect of Loans given	6	<b>(2,600.37)</b>	(2,159.16)
9	Service Line Contribution reclassified as Deferred Income	7	<b>(188.82)</b>	(176.97)
10	Contingency Reserve reclassified as Liability	8	<b>(123.35)</b>	(107.79)
11	Treasury Shares reduced from other equity	9	<b>(36.85)</b>	(36.85)
12	Increase in PPE - Long Term Power Purchase Agreements with Generator treated as Leasing Arrangement under Appendix 'C'- Ind-AS 17	10	<b>3,780.82</b>	4,005.43

# Reliance Infrastructure Limited

## Notes to the standalone financial statements as of and for the year ended March 31, 2017

				(₹ Crore)
Sr. No.	Particulars	Note No.	As at March 31, 2016	As at April 01, 2015
13	Increase in Finance Lease Obligations – Long Term Power Purchase Agreements with Generator treated as Leasing Arrangement under Appendix 'C'– Ind-AS 17	10	<b>(4,269.53)</b>	(4,311.93)
14	Reworking of Borrowing cost as Effective Interest Rate	11	<b>91.45</b>	48.47
15	Proposed Dividends (including Tax) accounted in the year of Shareholder's approval	12	<b>269.05</b>	253.22
16	Others		<b>(6.29)</b>	-
17	Deferred Tax on above Ind AS adjustments	13	<b>(1,909.02)</b>	(2,041.10)
<b>Other Equity (Reserves &amp; Surplus) as per Ind AS</b>			<b>19,035.62</b>	19,602.17

### Notes to First-time Adoption of Ind AS

#### Note 1: Property, Plant and Equipment

The Company has elected to measure items of Property, Plant and Equipment (PPE) at fair value at the date of transition to Ind AS and considered it as deemed cost. Hence, at the date of transition to Ind AS, an increase of ₹ 7,786.48 Crore was recognised in Property, Plant and Equipment with corresponding increase in Retained Earnings.

Since the Company has elected for fair valuation of PPE at the date of transition to Ind AS, the Revaluation Reserve existing on the date of transition under Previous GAAP amounting to ₹ 197.70 Crore has been transferred to the Retained Earnings on the date of transition.

#### Note 2: Investments in Subsidiaries, Joint ventures and Associates

Ind AS 101 permits a first time adopter to measure its each investment in subsidiaries, joint ventures or associates, at the date of transition, at cost determined in accordance with Ind AS 27 "Separate Financial Statements", or deemed cost. The deemed cost of such investment can be its fair value at date of transition to Ind AS of the Company, or Previous GAAP carrying amount at that date. The Company has elected to measure its investment in Reliance Power Limited, associate of the Company, at its fair value on transition date which will be regarded as its deemed cost. The rest of the investments in subsidiaries, joint ventures and associates are carried at their Previous GAAP carrying values as its deemed cost on the transition date.

#### Note 3: Fair Valuation of Investments

Under Previous GAAP, the Company had accounted for long term investments at cost less provision for other than temporary diminution in the value of investments. Current investments were carried at lower of cost and fair value.

Under Ind AS, the long term equity investments in subsidiaries, associates and joint ventures are carried at cost as per Ind AS 27. The Company has designated the investments in unquoted equity instruments other than subsidiaries, associates and joint ventures and quoted mutual funds at FVTPL instruments. At the date of transition to Ind AS, difference between these instrument's fair value and Previous GAAP carrying amount has been recognised in retained earnings. Subsequently, the fair value gains and losses are recorded in the Statement of Profit and Loss.

Under Ind AS, the Company has assessed that its investments in debt securities such as preference shares and debentures do not meet the "solely payments of principal and interest" test. Hence, these investments have been classified as FVTPL. However, the investments in government securities meet the "solely payments of principal and interest" test and are not held for trading. Hence, these investments are classified as amortised cost instruments.

At the date of transition to Ind AS, difference between these instruments' fair value or amortised cost as applicable and Previous GAAP carrying amount has been recognised in retained earnings. Subsequently, the interest income on government securities is recorded in the Statement of Profit and Loss using the effective interest method. Under Ind AS, financial guarantees are accounted as financial liabilities and measured initially at fair value. Accordingly the Company has created financial guarantee obligations of ₹ 21.37 Crore and ₹ 16.46 Crore on April 01, 2015 and March 31, 2016 respectively. On account of the aforesaid adjustment, the Company has recognised Other Income of ₹ 6.56 Crore in the Statement of Profit and Loss for the year ended March 31, 2016.

#### Note 4: Service Concession Arrangements

Appendix A of Ind AS 11 'Service Concessionaire Arrangement' is applicable to certain projects of the Company that have public-to-private concession arrangements under which private sector entities participate in the development, financing, operation and maintenance of infrastructure for provision of public services. Samalkot Power Station and Transmission business under the Western Region System Strengthening Scheme II are engaged in such businesses that meet the conditions for classification as service concession arrangements. After the expiry of the concession period, these projects either have to handover the infrastructure to the grantor or provide services using the infrastructure in such a manner that the control over the entire economic useful life (including the residual value) remains with the grantor.



## Notes to the standalone financial statements as of and for the year ended March 31, 2017

As per the salient feature of the concession arrangement, the operator has a twofold activity based on which revenue is recognized in the financial statements that is in line with the requirement of Appendix A of Ind AS 11.

- a construction activity in respect of its obligation to design, build and finance an asset that it makes available the grantor: revenue is recognized on a stage of completion basis in accordance with Ind AS 11 during the construction phase.
- an operating and maintenance activity in respect of the assets under the concession during the operational: revenue is recognised in accordance with Ind AS 18 "Revenue".

In return of its activities, the projects receive consideration from users in the form of license to charge public or in guaranteed return from the grantor in the form of grant or fixed cost reimbursement. The guaranteed consideration is recorded as a concession financial receivable while the unguaranteed consideration denoting a right to charge the users is recorded as a concession intangible asset.

### Note 5: Retention Money Discounting

Ind AS 11 and Ind AS 18 require the Company to record revenue at fair value. Under Ind AS, in case of retention monies payable and receivable, due to the timing difference between the recording of revenue/cost and settlement of transaction, it is presumed that the transactions have an embedded financing component, which is separated and recorded as interest income or expense. The interest income and expense on such transactions accrues to the Statement of Profit and Loss over the period the transaction occurs and measured at effective interest rate method.

### Note 6: Impairment of Financial Assets

As per Ind AS 109 "Financial Instruments", the Company is required to apply expected credit loss model for recognising the allowance for doubtful loans, debts and advances. As a result, the loss allowance increased by ₹ 441.21 Crore as at March 31, 2016 from ₹ 2,159.16 Crore as at April 01, 2015 to ₹ 2,600.37 Crore with a corresponding impact in the Statement of Profit and Loss for the year ended March 31, 2016 and retained earnings as at April 01, 2015.

### Note 7: Service Line Contributions Reserve

Under Previous GAAP, the Company recorded the amounts received from customers to connect to the Mumbai distribution network as a part of Capital reserves in its financial statements. Under the guidance of Appendix C of Ind AS 18, such amounts received from customers are considered as received to provide the customers an ongoing supply of electricity. Hence, these amounts are recorded as deferred income or an income.

### Note 8: Contingency Reserve

Under Previous GAAP, the Company transferred amounts from the Statement of Profit and Loss to a Contingencies reserve fund required under the Repealed Electricity (Supply Act), 1948 and Tariff Regulations which was disclosed under Reserves and Surplus. Under Ind AS, this amount is treated as a liability.

### Note 9: Treasury Shares

Reliance Infrastructure ESOS Trust has in substance acted as an agent and the Company as a sponsor retains the majority of the risks rewards relating to funding arrangement. Accordingly, the Company has recognised issue of shares to the Trust as the issue of treasury shares and deducted from equity by consolidating Trust into financial statements of the Company.

### Note 10: Arrangement containing Lease

Appendix C of Ind AS 17 'Determining whether an Arrangement contains a Lease' is applicable to the power purchase agreement of the Company with Vidarbha Industries Power Limited (VIPL). The Company has contracted for 600 MW power on long-term basis from VIPL's 2X300 MW thermal plant located at Butibori, District Nagpur in the State of Maharashtra. This long-term power purchase agreement is dependent on the use of the specified plant in Butibori and allows the Company to ensure that no party other than itself has the ability to obtain more than an insignificant amount of output from these specified plants. Further, the contracted price is neither fixed per unit nor equal to the market price per unit as of the time of delivery of the output.

The tariff for purchase of power is MERC approved and determined as under Section 62 of the Electricity Act, 2003. The present value of fixed charges reimbursable to VIPL under the power purchase agreement i.e. minimum lease payments at the inception of the contract amount to substantially all of the fair value of the thermal power plant. Therefore, the arrangement is classified finance lease.

### Note 11: Borrowings

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the Statement of Profit and Loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method.

Under Previous GAAP, these transaction costs were charged to the Statement of Profit and Loss as and when incurred or capitalised if incurred before the capitalisation date in case of specific borrowings. Accordingly, borrowings as at March 31, 2016 and April 01, 2015 have been reduced by ₹ 91.45 Crore and ₹ 48.47 Crore respectively with a corresponding adjustment to Statement of Profit and Loss and retained earnings respectively. The total equity increased by an equivalent amount. The profit for the year ended March 31, 2016 was increased by ₹ 42.98 Crore because of such reduction in other Borrowing cost.

# Reliance Infrastructure Limited

## Notes to the standalone financial statements as of and for the year ended March 31, 2017

### Note 12: Proposed Dividend

Under Previous GAAP, proposed dividends including dividend distribution tax (DDT) were recognised as a liability in the period to which they relate, irrespective of when the dividends are declared. Under Ind AS, a proposed dividend is recognised as liability in the period in which it is declared by the Company i.e. when approved by shareholders in a general meeting or paid.

In the case of the Company, the declaration of dividend has happened after the end of the reporting period. Therefore, the dividend liability (proposed dividend) of ₹ 253.22 Crore (including dividend tax of ₹ 42.83 Crore) for the year ended April 01, 2015 and ₹ 269.05 Crore (including dividend tax of ₹ 45.51 Crore) for the year ended March 31, 2016 recorded for proposed dividend has been derecognised from retained earnings.

### Note 13: Deferred Tax

Under Previous GAAP, deferred tax accounting was under the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 "Income-Taxes" approach has resulted in recognition of deferred taxes on temporary differences that were not required to be recorded under Previous GAAP.

In addition, the various transitional adjustments have led to deferred tax implications that the Company has accounted for. Deferred tax adjustments are recognised in correlation to the underlying transaction in either retained earnings or other comprehensive income, on the date of transition.

### Note 14: Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the Previous GAAP, these Remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended March 31, 2016 increased by ₹ 26.67 Crore. There is no impact on the total equity as at March 31, 2016.

### Note 15: Foreign Currency Monetary Items Translation Difference Accounts (FIMTDA)

On account of fair valuation of financial instruments held in foreign currency as at April 01, 2015, there is corresponding reduction of ₹ 313.33 Crore in the balance of FIMTDA as per the Ind AS accounts and the Previous GAAP accounts. However, there is no impact on Other Equity.

### Note 16: Assignment

Under the previous GAAP, during the year ended March 31, 2016 the Company had assigned its buyers credit liability (availed from various Banks / Financial Institution) of ₹ 2,578.99 Crore and ₹ 758.27 Crore to Samalkot Power Limited (Samalkot) and Reliance Cleangen Limited (Cleangen) respectively and also assigned its receivables of ₹ 2,328.67 Crore from Samalkot and Inter Corporate Deposit of ₹ 250.32 Crore and ₹ 758.27 Crore to Samalkot and Cleangen respectively. Since, the Company could not obtain the requisite approvals from the lenders, under Ind AS, such assignment did not meet the derecognition criteria and the same has been reversed as at March 31, 2016.

Accordingly, Buyer's Credit liability of ₹ 3,337.26 Crore, Receivables of ₹ 2,328.67 Crore and Inter Corporate Deposit of ₹ 1,008.59 Crore has been increased as on March 31, 2016.

### Note 17: Derivatives and Forward Contracts

Under the previous GAAP the premium or discount arising at the inception of forward exchange contracts entered into to hedge an existing asset/liability, was amortised as expense or income over the life of the contract. Under the Ind AS 109, Forward Contracts are carried at fair value and the resultant gains and losses are recorded in the Statement of Profit and Loss. Accordingly, the same has been fair valued resulting in decrease by ₹ 5.25 Crore as at March 31, 2016 and increase in equity by ₹ 8.88 Crore as at April 01, 2015.

Under the previous GAAP the gains pursuant to the clarification of ICAI on March 29, 2008 on accounting of derivatives contracts, the Company do not recognize gain on the mark to market valuation of the derivative instruments on a prudence basis. However under Ind AS 109, the derivative financial instruments are initially recognized at fair value and any change in the value on subsequent remeasurement whether gains or losses is recognized in the Statement of Profit and Loss

### Note 18: Retained Earnings

Retained earnings as at April 01, 2015 has been adjusted consequent to the above Ind AS transition adjustments.

### Note 19: Other Comprehensive Income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the Statement of Profit and Loss as 'other comprehensive income' includes Remeasurements of post-employment benefit obligation.

Notes to the standalone financial statements as of and for the year ended March 31, 2017

(c) Reconciliations of cashflows reported under previous GAAP and Ind AS

(₹ Crore)			
Particulars	As per Previous GAAP	Effect of transition to Ind AS	As per Ind AS
Net cash flow from operating activities	5,060.52	358.99	5,419.51
Net cash flow from investing activities	(6,185.98)	150.48	(6,035.50)
Net cash flow from financing activities	1,191.14	(509.47)	681.67
Effects of exchange differences on translation of foreign currency cash and cash equivalent	3.79	-	3.79
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>69.47</b>	<b>-</b>	<b>69.47</b>
Cash and cash equivalents as at April 01, 2015	<b>109.31</b>	<b>-</b>	<b>109.31</b>
<b>Cash and cash equivalents as at March 31, 2016</b>	<b>178.78</b>	<b>-</b>	<b>178.78</b>

54. Fair Value Measurement and Financial Risk Management

(A) Fair Value Measurements

(a) Financial instruments by category

	As at March 31, 2017			As at March 31, 2016			As at April 01, 2015		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial assets</b>									
<b>Investments</b>									
- Equity instruments	3.73	-	-	29.33	-	-	27.41	-	-
- Subordinate debt			133.83			125.80			115.22
- Preference shares	1,302.81	-	-	1,152.45	-	-	979.51	-	-
- Debentures	886.06	-	-	777.24	-	-	884.11	-	-
- Mutual funds	252.23	-	-	223.34	-	-	245.88	-	-
- Government securities	-	-	127.28	-	-	111.87	-	-	96.58
Trade receivables	-	-	5,100.04	-	-	5,260.15	-	-	6,853.98
Service concession receivables	-	-	1,216.14	-	-	1,382.26	-	-	1,291.51
Loans	-	-	11,462.34	-	-	10,729.48	-	-	7,255.98
Security deposits	-	-	132.13	-	-	139.55	-	-	114.81
Amounts due from customers for contract work	-	-	328.64	-	-	441.69	-	-	453.40
Derivative financial asset	0.02	-	-	11.68	-	-	10.38	-	-
Other receivables	-	-	965.71	-	-	165.71	-	-	568.41
Interest receivable	-	-	483.09	-	-	55.22	-	-	68.52
Cash and cash equivalents	-	-	154.84	-	-	178.79	-	-	109.31
Bank deposits with original maturity of more than 3 months but less than 12 months	-	-	91.78	-	-	77.31	-	-	36.32
Bank deposits with more than 12 months original maturity	-	-	-	-	-	35.00	-	-	57.46
<b>Total financial assets</b>	<b>2,444.85</b>	<b>-</b>	<b>20,195.82</b>	<b>2,194.04</b>	<b>-</b>	<b>18,702.83</b>	<b>2,147.29</b>	<b>-</b>	<b>17,021.50</b>
<b>Financial liabilities</b>									
Borrowings (including finance lease obligations and interest accrued thereon)	-	-	20,951.04	-	-	24,926.40	-	-	21,308.24
Trade payables	-	-	5,653.81	-	-	4,815.14	-	-	4,319.66
Security deposits	-	-	55.47	-	-	52.34	-	-	48.70
Deposits from Consumers	-	-	354.40	-	-	331.50	-	-	301.83
Amount due to Customers for Contract work	-	-	1,197.54	-	-	1,675.00	-	-	1,864.59
Derivative financial liability	5.79	-	-	44.93	-	-	18.09	-	-
Financial guarantee obligation	-	-	13.89	-	-	16.46	-	-	21.37
Unpaid dividends	-	-	14.32	-	-	13.32	-	-	12.55
Creditors for capital expenditure	-	-	5.05	-	-	82.38	-	-	78.31
<b>Total financial liabilities</b>	<b>5.79</b>	<b>-</b>	<b>28,245.52</b>	<b>44.93</b>	<b>-</b>	<b>31,912.54</b>	<b>18.09</b>	<b>-</b>	<b>27,955.25</b>

# Reliance Infrastructure Limited

## Notes to the standalone financial statements as of and for the year ended March 31, 2017

### (b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

	(₹ Crore)			
<b>Assets and liabilities measured at fair value – recurring fair value measurements as at March 31, 2017</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial instruments at FVTPL</b>				
Unquoted equity instruments	-	-	3.73	3.73
Preference shares	-	-	1,302.81	1,302.81
Debentures	-	-	886.06	886.06
Mutual funds	252.23	-	-	252.23
<b>Derivatives not designated as hedges</b>				
Derivative financial liabilities	-	5.79	-	5.79
Derivative financial assets	-	0.02	-	0.02
<b>Assets and liabilities for which fair values are disclosed as at March 31, 2017</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Non-financial assets</b>				
Investment property	-	-	558.42	558.42
<b>Financial assets</b>				
Government securities	128.10	-	-	128.10
Subordinate debt	-	-	133.83	133.83
Service concession receivables	-	-	1,220.30	1,220.30
Security deposits	-	-	132.13	132.13
Amounts due from customers for contract work	-	-	328.64	328.64
Interest receivable	-	-	483.09	483.09
<b>Financial liabilities</b>				
Borrowings (including finance lease obligations and interest accrued thereon)	-	-	21,022.73	21,022.73
Financial guarantee obligation	-	-	13.89	13.89
<b>Assets and liabilities measured at fair value – recurring fair value measurements as at March 31, 2016</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial instruments at FVTPL</b>				
Unquoted equity instruments	-	-	29.33	29.33
Preference shares	-	-	1,152.45	1,152.45
Debentures	-	-	777.24	777.24
Mutual funds	223.34	-	-	223.34
<b>Derivatives not designated as hedges</b>				
Derivative financial liabilities	-	44.93	-	44.93
Derivative financial assets	-	11.68	-	11.68
<b>Assets and liabilities for which fair values are disclosed as at March 31, 2016</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Non-financial assets</b>				
Investment property	-	-	589.42	589.42
<b>Financial assets</b>				
Government securities	112.08	-	-	112.08
Subordinate debt	-	-	125.80	125.80
Service concession receivables	-	-	1,393.52	1,393.52
Security deposits	-	-	139.55	139.55
Amounts due from customers for contract work	-	-	441.69	441.69
Interest receivable	-	-	55.22	55.22
<b>Financial liabilities</b>				
Borrowings (including finance lease obligations and interest accrued thereon)	-	-	25,129.19	25,129.19
Financial guarantee obligation	-	-	16.46	16.46

Notes to the standalone financial statements as of and for the year ended March 31, 2017

	(₹ Crore)			
Assets and liabilities measured at fair value – recurring fair value measurements at April 01, 2015	Level 1	Level 2	Level 3	Total
<b>Financial instruments at FVTPL</b>				
Unquoted equity instruments	-	-	27.41	27.41
Preference shares	-	-	979.51	979.51
Debentures	-	-	884.11	884.11
Mutual funds	245.88	-	-	245.88
<b>Derivatives not designated as hedges</b>				
Derivative financial liabilities	-	18.09	-	18.09
Derivative financial assets	-	10.38	-	10.38
Assets and liabilities for which fair values are disclosed as at April 01, 2015	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Government securities	96.58	-	-	96.58
Subordinate debt	-	-	115.22	115.22
Service concession receivables	-	-	1,360.15	1,360.15
Security deposits	-	-	114.81	114.81
Amounts due from customers for contract work	-	-	453.40	453.40
Interest receivable	-	-	68.52	68.52
<b>Financial liabilities</b>				
Borrowings (including finance lease obligations and interest accrued thereon)	-	-	22,438.45	22,438.45
Financial guarantee obligation	-	-	21.37	21.37
<b>Property, plant and equipment</b>				
Free hold Land	-	-	2,624.42	2,624.42
Lease hold Land	-	-	54.28	54.28
Buildings	-	-	1,510.70	1,510.70
Plant and Equipment	-	-	8,192.82	8,192.82
Distribution Systems	-	-	4,217.90	4,217.90
Railway Siding	-	-	8.20	8.20
Furniture and Fixtures	-	-	21.40	21.40
Vehicles	-	-	18.66	18.66
Office Equipment	-	-	12.85	12.85
Computers	-	-	21.72	21.72
Electrical Installations	-	-	20.89	20.89
<b>Investment in associates</b>				
Reliance Power Limited	6,689.59	-	-	6,689.59

There were no transfers between any levels during the year.

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have a quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, preference shares and debentures which are included in level 3.

(c) **Valuation technique used to determine fair value**

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of swaps is calculated as the present value of the estimated future cash flows based on observable yield curves
- the fair value of forward foreign exchange contracts and principal swap is determined using forward exchange rates at the balance sheet date
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis / Earnings / EBITDA multiple method.

All of the resulting fair value estimates are included in level 1 and 2 except for unlisted equity securities, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

# Reliance Infrastructure Limited

## Notes to the standalone financial statements as of and for the year ended March 31, 2017

### (d) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended March 31, 2017 and March 31, 2016:

		(₹ Crore)
Particulars		Level 3 financial assets
As at April 01, 2015		<b>1,891.03</b>
Interest received recognised in Statement of Profit and Loss (realised)		(231.01)
Fair value gains / (losses) recognised in Statement of Profit and Loss (unrealised)		299.00
As at March 31, 2016		<b>1,959.02</b>
Other fair value gains(losses) recognised in Statement of Profit and Loss (unrealised)		259.45
Realised gain on disposal recognised in Statement of Profit and Loss		77.17
Sale		(103.04)
<b>As at March 31, 2017</b>		<b>2,192.60</b>

### (e) Valuation processes

The finance department of the Company obtains assistance of independent and competent third party valuers to perform the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. These experts report to the financial risk management team, chief financial officer (CFO) and the audit committee (AC). Discussions of valuation processes and results are held between the CFO, AC and the valuation team at least once every three months, in line with the Company's quarterly reporting periods.

The main level 3 inputs used by the Company are derived and evaluated as follows:

- Discount rates are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.
- Risk adjustments specific to the counterparties (including assumptions about credit default rates) are derived from credit risk grading determined by the Company's internal credit risk management group.
- For unlisted equity securities, their fair values are estimated based on the book values of the companies.
- Discount rates are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.

Changes in level 2 and 3 fair values are analysed at the end of each reporting period during the quarterly valuation discussion between the financial risk management team, CFO, AC and the valuation experts. As part of this discussion the team presents a report that explains the reason for the fair value movements.

### (f) Fair value of financial assets and liabilities measured at amortised cost

		(₹ Crore)				
Particulars	March 31, 2017		March 31, 2016		April 01, 2015	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>						
Government securities	<b>127.28</b>	<b>128.10</b>	111.87	112.08	96.58	96.58
Service concession receivables	<b>1,216.14</b>	<b>1,220.30</b>	1,382.26	1,393.52	1,291.51	1,360.15
Security deposits	<b>132.13</b>	<b>132.13</b>	139.55	139.55	114.81	114.81
Amounts due from customers for contract work	<b>328.64</b>	<b>328.64</b>	441.69	441.69	453.40	453.40
Interest receivable	<b>483.09</b>	<b>483.09</b>	55.22	55.22	68.52	68.52
<b>Financial liabilities</b>						
Borrowings (including finance lease obligations and interest accrued thereon)	<b>20,951.04</b>	<b>21,022.73</b>	24,926.40	25,129.19	21,308.24	22,438.45
Financial guarantee obligation	<b>13.89</b>	<b>13.89</b>	16.46	16.46	21.37	21.37

The carrying amounts of trade receivables, trade payables, advances to employees including interest thereon (secured/unsecured), intercorporate deposits, short term security deposits, deposits from customers, amount due from / to

**Notes to the standalone financial statements as of and for the year ended March 31, 2017**

customers for contract work, unpaid dividends, bank deposits with original maturity of more than 3 months but less than 12 months, bank deposits with more than 12 months maturity, capital creditors and cash and cash equivalents are considered to have their fair values approximately equal to their carrying values. The fair values for other assets and liabilities were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy if there is inclusion of unobservable inputs including counterparty credit risk. The fair values of non-current borrowings and finance lease obligations are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

**(g) Valuation inputs and relationships to fair value**

Particulars	Fair value as at			Valuation technique	Significant unobservable inputs and range
	March 31, 2017	March 31, 2016	April 01, 2015		
Equity instruments	3.73	29.33	27.41	Earnings/EBITDA multiple method	Earnings growth factor 7% to 9%
Preference shares	1,302.81	1,152.45	979.51	Discounted cash flow	Discount rate: 12.5% to 16%

Relationship to observable inputs to fair value:

Rate increase by 100 basis points would result in reduction in fair value and decrease the profit and equity for March 31, 2017 by ₹ 127.19 Crore (March 31, 2016: ₹ 121.16 Crore). A rate decrease would have led to an increase in fair value, profit and equity for March 31, 2017 by ₹ 141.58 Crore (March 31, 2016: ₹ 135.85 Crore).

100 basis points change in the unobservable input for unquoted equity instruments does not have a significant impact in its value

**(B) Financial Risk Management**

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The key risks and mitigating actions are also placed before the Audit Committee of the Company. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Risk Management Committee of the Company is supported by the Finance team and experts of respective business divisions that provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The activities are designed to:

- protect the Company's financial results and position from financial risks;
- maintain market risks within acceptable parameters, while optimising returns; and
- protect the Company's financial investments, while maximising returns.

The Treasury department provides funding and foreign exchange management services for the Company's operations. In addition to guidelines and exposure limits, a system of authorities and extensive independent reporting covers all major areas of treasury's activity.

This note explains the sources of risk which the Company is exposed to and how the Company manages the risk in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost.	Aging analysis Credit rating	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities



Market risk – foreign exchange	Highly probable forecast transactions, firm commitments, recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts, Principal only swaps, Cross currency swaps
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Interest rate swaps
Market risk – security prices	Investments in equity securities and mutual funds	Sensitivity analysis	Portfolio diversification

The Company's risk management is carried out by a treasury department (Company treasury) under policies approved by the board of directors. Treasury team identifies, evaluates and hedges financial risks in close cooperation with the Company's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

### (a) Credit risk

The Company is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk arises from cash and cash equivalents, investments carried at amortised cost or fair value through profit & loss and deposits with banks and financial institutions, as well as credit exposures to trade/non-trade customers including outstanding receivables.

### (i) Credit risk management

Credit risk is managed at segment level and corporate level depending on the policy surrounding credit risk management. For banks and financial institutions, only high rated banks/institutions are accepted. Generally all policies surrounding credit risk have been managed at segment and corporate level except for those surrounding accounts receivable balances. Each segment is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. For other financial assets, the Company assesses and manages credit risk based on internal credit rating system. The finance function consists of a separate team who assess and maintain an internal credit rating system. Internal credit rating is performed on a Company basis for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

Rating 1: High-quality assets, negligible credit risk

Rating 2: Quality assets, low credit risk

Rating 3: Medium to low quality assets, Moderate to high credit risk

Rating 4: Doubtful assets, credit-impaired

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 ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- Internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the customer's ability to meet its obligations
- actual or expected significant changes in the operating results of the customer
- significant increase in credit risk on other obligations of the same customer
- significant changes in the value of the collateral supporting the obligation
- Significant changes in the expected performance and behaviour of the customer, including changes in the operating results of the customer.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model. A default on a financial asset is when the counterparty fails to make contractual payments within 60 days of when they fall due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. In respect of the Distribution Business of the Company the Company decides the amount of the Provision for Expected Loss (Provision for Doubtful Debts) based on the connection status of the consumers. Any dues for more than six months in respect of disconnected consumers and for more than 2 years in respect of connected consumers are provided for. In respect of the EPC Business of the Company, the Company decides the amount of the Provision for Expected Loss (Provision for Doubtful Debts) after a period of 3 years from the date the amount receivable becomes due. Where receivables have been written off, the Company

Notes to the standalone financial statements as of and for the year ended March 31, 2017

continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

(ii) **Provision for expected credit losses**

The Company provides for expected credit loss based on the following:

Category	Description of category	Internal rating	Basis for recognition of expected credit losses Investments and loans, Security deposits, other deposits and receivables
High quality assets, negligible credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil	Rating 1	12-month expected credit losses
Quality assets, low credit risk	Assets where there is low risk of default and where the counter-party has sufficient capacity to meet the obligations and where there has been low frequency of defaults in the past	Rating 2	12-month expected credit losses
Medium to low quality assets, Moderate to high credit risk	Assets where there is a moderate to high probability of default. In general, assets where contractual payments are more than 60 days past due are categorised as medium to low quality assets. Also includes assets where the credit risk of counter-party has increased significantly since initial recognition though payments may not be more than 60 days past due	Rating 3	12-month expected credit losses for financial assets for which credit risk has not increased significantly since initial recognition. For others Lifetime expected credit losses
Doubtful assets, credit-impaired	Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in the Statement of Profit and Loss.	Rating 4	Asset is written off

**Trade receivables, retentions on contract and amounts due from customers for contract work**

In case of transmission and generation business, regulator approved tariff is receivable from long-term transmission customers (LTTCs) and Discoms that are highly rated companies or government parties. Counterparty credit risk with respect to these receivables is very low. In respect of construction contracts, the Company has receivables from subsidiary and associate companies where the management perceives the risk of recovery to be remote..

The Company considers for impairment its receivables from customers in its Mumbai distribution business. The risk of recovery in these businesses is reduced to the extent of security deposits already collected and held as collaterals. Balance amount receivable over and above the deposit is assessed for expected credit loss allowances. However, the Company has assessed that the concentrations of risk in these balance is not material considering the high collection efficiency.

**Investments other than equity instruments.**

The Company has investments in Central Government securities which enjoy sovereign credit rating which is negligible. Management does not believe there is a risk of non-recoverability in such investments.

Investments in financial assets other than equity instruments are exposed to the risk of loss that may occur in future from the failure of counterparties or issuers to make payments according to the terms of the contract. The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial instruments presented in the balance sheet.

# Reliance Infrastructure Limited

## Notes to the standalone financial statements as of and for the year ended March 31, 2017

### Year ended March 31, 2017

(₹ Crore)

Expected credit loss for financial assets where general model is applied

Particulars		Asset group	Internal credit rating	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of provision
Financial assets for which credit risk has/has not increased significantly since initial recognition	Loss allowance measured at 12 month/Lifetime expected credit losses	Government securities	Rating 1	127.28	0%	-	127.28
		Security deposits	Rating 2	149.91	12%	17.78	132.13
		Service concession receivables	Rating 1	1,216.14	0%	-	1,216.14
		Other receivables	Rating 1	1,448.80	0%	-	1,448.80
		Loans	Rating 2/3	14,081.91	19%	2,619.57	11,462.34

### Year ended March 31, 2016:

(₹ Crore)

Expected credit loss for financial assets where general model is applied

Particulars		Asset group	Internal credit rating	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of provision
Financial assets for which credit risk has/has not increased significantly since initial recognition	Loss allowance measured at 12 month/Lifetime expected credit losses	Government securities	Rating 1	111.87	0%	-	111.87
		Security deposits	Rating 2	154.20	10%	14.65	139.55
		Service concession receivables	Rating 1	1,382.26	0%	-	1,382.26
		Other receivables	Rating 1	220.93	0%	-	220.93
		Loans	Rating 2 / 3	13,329.85	20%	2,600.37	10,729.48

### Year ended April 01, 2015:

(₹ Crore)

Expected credit loss for financial assets where general model is applied

Particulars		Asset group	Internal credit rating	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of provision
Financial assets for which credit risk has/has not increased significantly since initial recognition	Loss allowance measured at 12 month/Lifetime expected credit losses	Government securities	Rating 1	96.58	0%	-	96.58
		Security deposits	Rating 2	130.11	12%	15.30	114.81
		Service concession receivables	Rating 1	1,291.51	0%	-	1,291.51
		Other receivables	Rating 1	636.93	0%	-	636.93
		Loans	Rating 2/ 3	9,415.13	23%	2,159.16	7,255.97

Notes to the standalone financial statements as of and for the year ended March 31, 2017

(iii) Reconciliation of loss allowance provision – Trade receivables, retentions on contract and amounts due from customers for contract work under simplified approach

	(₹ Crore)
<b>Reconciliation of loss allowance</b>	<b>Lifetime expected credit losses measured using simplified approach</b>
Loss allowance as at April 01, 2015	75.72
Changes in loss allowance	(6.05)
Loss allowance as at March 31, 2016	69.67
Changes in loss allowance	8.72
<b>Loss allowance as at March 31, 2017</b>	<b>78.39</b>

(iv) Reconciliation of loss allowance provision – Other than trade receivables, retentions on contract and amounts due from customers for contract work under general model approach

	(₹ Crore)
<b>Reconciliation of loss allowance</b>	<b>Loss allowance measured at 12 month expected losses</b>
Loss allowance as at April 01, 2015	2,174.46
Add / (Less): Changes in loss allowances due to assets originated or purchased (Net)	441.25
Reversals	(0.69)
Loss allowance on March 31, 2016	2,615.02
Add / (Less): Changes in loss allowances due to assets originated or purchased (Net)	22.33
<b>Loss allowance on March 31, 2017</b>	<b>2,637.35</b>

(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 and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the Company in accordance with practice and limits set by the Company. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

(i) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturities based on their contractual maturities for:

- all non-derivative financial liabilities, and
- net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The following are contractual maturity of financial liability at the reporting date. The amounts are gross and undiscounted, and includes contractual interest payment.

	(₹ Crore)			
<b>Contractual maturities of financial liabilities March 31, 2017</b>	<b>Less than 6 months</b>	<b>6 months to 1 year</b>	<b>More than 1 year</b>	<b>Total</b>
<b>Non-derivatives</b>				
Borrowings *	6,471.38	3,508.28	8,940.09	18,919.75
Finance lease obligations	254.74	254.73	10,396.79	10,906.26
Trade payables	2,120.12	3,528.71	4.98	5,653.81
Security and other deposits	-	409.87	-	409.87
Financial guarantee obligation	-	-	13.89	13.89
Creditors for capital expenditure	5.05	-	-	5.05
Amount due to Customers for Contract work	1,197.54	-	-	1,197.54
Other finance liabilities	261.48	29.36	135.73	426.57
<b>Total non-derivative liabilities</b>	<b>10,310.31</b>	<b>7,730.95</b>	<b>19,491.48</b>	<b>37,532.74</b>

# Reliance Infrastructure Limited

## Notes to the standalone financial statements as of and for the year ended March 31, 2017

	(₹ Crore)			
Contractual maturities of financial liabilities March 31, 2017	Less than 6 months	6 months to 1 year	More than 1 year	Total
<b>Derivatives (net settled)</b>				
Forward Contracts	5.67	0.12	-	5.79
<b>Total derivative liabilities</b>	<b>5.67</b>	<b>0.12</b>	<b>-</b>	<b>5.79</b>
Contractual maturities of financial liabilities <b>March 31, 2016</b>	Less than 6 months	6 months to 1 year	More than 1 year	Total
Non-derivatives				
Borrowings *	5,945.41	5,100.09	12,722.13	23,767.63
Finance lease obligations	254.74	254.74	10,911.10	11,420.58
Trade payables	2,839.95	1,722.27	280.30	4,842.52
Security and other deposits	-	383.84	-	383.84
Financial guarantee obligation	-	-	16.46	16.46
Creditors for capital expenditure	82.38	-	-	82.38
Amount due to Customers for Contract work	1,675.00			1,675.00
Other finance liabilities	196.98	31.00	99.65	327.63
Total non-derivative liabilities	10,994.46	7,491.94	24,029.64	42,516.04
Derivatives (net settled)				
Forward Contracts	11.11	33.82	-	44.93
Total derivative liabilities	11.11	33.82	-	44.93
Contractual maturities of financial liabilities April 1, 2015	Less than 6 months	6 months to 1 year	More than 1 year	Total
Non-derivatives				
Borrowings *	4,271.39	4,833.37	11,095.94	20,200.70
Finance lease obligations	254.74	254.74	11,420.57	11,930.05
Trade payables	2,834.28	1,260.83	493.05	4,588.16
Security and other deposits	-	350.53	-	350.53
Financial guarantee obligation	-	-	21.37	21.37
Creditors for capital expenditure	78.31	-	-	78.31
Amount due to Customers for Contract work	1,864.60	-	-	1,864.60
Other finance liabilities	151.22	41.22	51.16	243.60
Total non-derivative liabilities	9,454.54	6,740.69	23,082.09	39,277.32
Derivatives (net settled)				
Forward Contracts	0.82	17.27	-	18.09
Total derivative liabilities	0.82	17.27	-	18.09

\* Includes contractual interest payments based on the interest rate prevailing at the reporting date

### (C) Market risk

#### (i) Foreign currency risk

The Company operates in a business that exposes it to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and EUR. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the Company is to minimise the volatility of the INR cash flows of highly probable forecast transactions..

Notes to the standalone financial statements as of and for the year ended March 31, 2017

- (a) As per the risk management policy, foreign exchange forward contracts are taken to manage such risk. The Company also imports certain assets of capital nature which exposes it to foreign currency risk. To minimise the risk of imports, the Company enters into foreign exchange forward contracts.

Particulars	(Amt in Crore)					
	As at		As at		As at	
	March 31, 2017		March 31, 2016		April 01, 2015	
	USD	EUR	USD	EUR	USD	EUR
<b>Financial assets</b>						
Investment in preference shares	9.81	-	8.72	-	7.75	-
Trade Receivable	27.20	0.72	29.84	1.53	36.37	2.10
Bank balance in EEFC accounts	3.84	0.02	0.10	0.43	0.04	0.05
<b>Exposure to foreign currency risk (assets)</b>	<b>40.85</b>	<b>0.74</b>	<b>38.66</b>	<b>1.96</b>	<b>44.16</b>	<b>2.15</b>
<b>Financial liabilities</b>						
Foreign currency loan	2.77	-	18.65	-	19.19	-
Bank loan	3.12	-	51.80	-	62.72	-
Trade payables	8.75	2.51	11.73	2.53	17.78	-
<b>Derivative liabilities</b>						
Forward contracts	(2.06)	-	(37.70)	-	(36.94)	-
Principal Only Swap	-	-	(13.55)	-	-	-
Currency swap	-	-	(0.18)	-	(0.72)	-
<b>Net exposure to foreign currency risk (liabilities)</b>	<b>12.58</b>	<b>2.51</b>	<b>30.75</b>	<b>2.53</b>	<b>62.03</b>	<b>-</b>

**Sensitivity**

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and from foreign forward exchange contracts.

Particulars	Impact on profit before tax	
	March 31, 2017	
	March 31, 2016	
<b>USD sensitivity</b>		
INR/USD -Increase by 6%*	110.58	23.14
INR/USD -decrease by 6%*	(110.58)	(23.14)

\*Holding all other variables constant

The outstanding Euro denominated balance being insignificant has not been considered for the purpose of sensitivity disclosures.

**(ii) Cash flow and fair value interest rate risk**

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. Company policy is to maintain most of its borrowings at fixed rate using interest rate swaps to achieve this when necessary. During March 31, 2017 and March 31, 2016, the Company's borrowings at variable rate were mainly denominated in INR and USD.

The Company's fixed rate borrowings are carried at amortised cost. 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.

The Company manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Under these swaps, the Company agrees with other parties to exchange, at specified intervals (mainly quarterly), the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts. Generally, the Company raises long-term borrowings at floating rates and swaps them into fixed rates that are lower than those available if the Company borrowed at fixed rates directly.

# Reliance Infrastructure Limited

## Notes to the standalone financial statements as of and for the year ended March 31, 2017

### (a) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	(₹ Crore)		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Variable rate borrowings	10,016.53	11,692.56	5,700.03
Fixed rate borrowings	6,304.86	8,650.02	11,065.23
<b>Total borrowings</b>	<b>16,321.39</b>	<b>20,342.58</b>	<b>16,765.26</b>

As at the end of the reporting period, the Company had the following variable rate borrowings and interest rate swap contracts outstanding:

Particulars	March 31, 2017			March 31, 2016			April 01, 2015		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Bank overdrafts, bank loans	11.22%	10,016.53	61%	10.70%	11,692.56	57%	8.57%	5,700.03	34%
Interest rate swaps (notional principal amount)	6 months LIBOR + 325 bps	(179.63)		6 months LIBOR + 325 bps	(217.32)		6 months LIBOR + 325 bps	(238.75)	
<b>Net exposure to cash flow interest rate risk</b>		<b>9,836.89</b>			<b>11,475.24</b>			<b>5,461.28</b>	

An analysis by maturities is provided above. The percentage of total loans shows the proportion of loans that are currently at variable rates in relation to the total amount of borrowings

### (b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	(₹ Crore)	
	Impact on profit before tax March 31, 2017	March 31, 2016
Interest rates – increase by 100 basis points*	(98.19)	(112.73)
Interest rates – decrease by 20 basis points*	19.23	22.99

\*Holding all other variables constant

### (iii) Price risk

#### (a) Exposure

The Company's exposure to equity securities price risk arises from unquoted equity investments and quoted mutual funds held by the Company and classified in the balance sheet as fair value through profit and loss. To manage its price risk arising from investments in equity securities, the Company invests only in accordance with the limits set by the Company.

#### (b) Sensitivity

Particulars	(₹ Crore)	
	Impact on other components of equity March 31, 2017	March 31, 2016
Price increase by 10%	25.60	17.86
Price decrease by 10%	(25.60)	(17.86)



Notes to the standalone financial statements as of and for the year ended March 31, 2017

55. Capital Management

(a) The Company considers the following components of its Balance Sheet to be managed capital:

1. Total equity – retained profit, general reserves and other reserves, share capital, share premium
2. Working capital.

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets.

The Company's aim to translate profitable growth to superior cash generation through efficient capital management. The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditor, and market confidence and to sustain future development and growth of its business. The Company's focus is on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required, without impacting the risk profile of the group. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The management monitors the return on capital as well as the level of dividends to shareholders. The Company's goal is to continue to be able to return excess liquidity to shareholders by continuing to distribute dividends in future periods.

(b) Dividends

Particulars	(₹ Crore)	
	Year ended March 31, 2017	Year ended March 31, 2016
<b>Equity Shares</b>		
Final dividend for the year ended March 31, 2016 of ₹ 8.50 (March 31, 2015 – ₹ 8.00) per fully paid share which was paid in the year 2016-17 and 2015-16 respectively (including dividend tax and net of set-off of write back of excess provision)	<b>251.39</b>	253.22
<b>Dividends not recognised at the end of the reporting period</b>		
In addition to the above dividends, since year end, the directors have recommended the payment of a final dividend of ₹ 9.00 per fully paid equity share (March 31, 2016 – ₹ 8.50). (including dividend tax) This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	<b>284.87</b>	269.04

56. The Company has constituted a Corporate Social Responsibility Committee (CSR Committee) in compliance with the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR Committee consists of Ms. Ryna Karani as Chairperson and Shri. S S Kohli, Shri K Ravikumar and Dr. V K Chaturvedi as members. The CSR Committee has formulated a Corporate Social Responsibility Policy (CSR policy) indicating the activities to be undertaken by the Company. Expenditure during the year related to Corporate Social Responsibility as per Section 135 of the Act, read with Schedule VII thereof is ₹ 32.78 Crore.

- a) Gross amount required to be spent by the Company during the year is ₹ 29.19 Crore
- b) Amount spent during the year on:

Particulars	(₹ Crore)		
	In Cash	Yet to be paid in Cash	Total
(i) Construction / acquisition of any asset	-	-	-
(ii) On purpose other than (i) above	32.78	-	<b>32.78</b>

57. Pursuant to first proviso to sub-section (3) of section 129 of the Act, read with rule 5 of Companies (Accounts) Rules, 2014, the Company has attached salient features of the financial statement of its subsidiaries, associates and joint-ventures in form AOC-1 with its Consolidated Financial Statements.

# Reliance Infrastructure Limited

## Notes to the standalone financial statements as of and for the year ended March 31, 2017

### 58. Disclosure on Specified Bank Notes (SBN)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	Specified Bank Notes	Other Denomination Notes	(₹ Crore) Total
<b>Closing Cash in Hand as on Novmbe 08, 2016</b>	6.39	0.14	<b>6.53</b>
(+ ) Permitted Receipts	212.15	87.62	<b>299.77</b>
(- ) Permitted Payments	-	-	-
(- ) Amount Deposited in Bank	218.54	85.07	<b>303.61</b>
<b>Closing Cash in Hand as on December 30, 2016</b>	-	2.69	<b>2.69</b>

As per our attached Report of even date

#### For Haribhakti & Co. LLP.

Chartered Accountants

Firm Registration No. 103523W/W100048

#### For Pathak H. D. & Associates

Chartered Accountants

Firm Registration No. 107783W

#### Bhavik L. Shah

Partner

Membership No. 122071

#### Vishal D. Shah

Partner

Membership No. 119303

#### Anil D Ambani

DIN - 00004878

Chairman

#### S Seth

DIN - 00004631

Vice Chairman

#### S S Kohli

DIN - 00169907

#### Dr V K Chaturvedi

DIN - 01802454

#### Ryna Karani

DIN - 00116930

#### V R Galkar

DIN - 00009177

#### K Ravikumar

DIN - 00119753

#### Shiv Prabhat

DIN - 07319520

Directors

#### Lalit Jalan

Chief Executive Officer

#### Sridhar Narasimhan

Chief Financial Officer

#### Ramesh Shenoy

Company Secretary

Date : April 15, 2017

Place : Mumbai

Date : April 15, 2017

Place : Mumbai

Date : April 15, 2017

Place : Mumbai

# **CONSOLIDATED FINANCIAL STATEMENT**

# Reliance Infrastructure Limited

## Independent Auditors' Report on Consolidated Financial Statements

### To the Members of Reliance Infrastructure Limited Report on the Consolidated Ind AS Financial Statements

1. We have audited the accompanying consolidated financial statements of Reliance Infrastructure Limited (herein referred to as "the Parent Company"), and its subsidiaries (the Parent Company and its subsidiaries together referred to as "the Group"), its associates and joint ventures, comprising of the Consolidated Balance Sheet as at March 31, 2017, 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 (hereinafter referred to as "the consolidated Ind AS financial statements").

### Management's Responsibility for the Consolidated Ind AS Financial Statements

2. The Parent 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 consolidated Ind AS financial statements that give a true and fair view of state of affairs (financial position), profit (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) prescribed under section 133 of the Act.
3. The respective Board of Directors of the Companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 which have been used for the purpose of preparation of the consolidated financial statement by the Directors of the Parent Company, as aforesaid.

### Auditors' Responsibility

4. Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit.
5. 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.
6. We conducted our audit of the consolidated Ind AS financial statements 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 the consolidated Ind AS financial statements are free from material misstatement.

7. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent Company's preparation of the consolidated Ind AS 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 Parent Company's Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.
8. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of the reports referred to in paragraphs 15, 16 and 17 under Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

### Opinion

9. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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 the Ind AS, of the state of affairs (financial position) of the Group, its associates and joint ventures as at March 31, 2017, and its profits (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date

### Emphasis of Matter

We draw attention to the following matters in the Notes to the consolidated Ind AS financial statements:

10. We draw attention to Note no. 28 of the consolidated Ind AS financial statements regarding the Scheme of Amalgamation ('the Scheme') between Reliance Infraprojects Limited (wholly owned subsidiary of the Company) and the Company sanctioned by the Hon'ble High Court of Judicature at Bombay vide its order dated March 30, 2011, wherein the Parent Company, as determined by the Board of Directors, is permitted to adjust foreign exchange / derivative / hedging losses / gains debited/credited to the Consolidated Statement of Profit and Loss by a corresponding withdrawal from or credit to General Reserve which overrides the relevant provisions of IND AS - 1 "Presentation of financial statements". The net gain on account of derivative instruments / forward contracts of ₹ 27.34 Crore for the year ended March

Independent Auditors' Report on Consolidated Financial Statements

31, 2017 has been credited to Consolidated Statement of Profit and Loss and an equivalent amount has been transferred to General Reserve. Similarly foreign exchange loss of ₹ 272.36 Crore (net off of foreign exchange loss of ₹ Nil attributable to finance cost) for the year ended March 31, 2017 has been debited to Consolidated Statement of Profit and Loss and an equivalent amount has been withdrawn from General Reserve in terms of the Scheme. Had such transfer / withdrawal not been done, profit before tax for the year ended March 31, 2017 would have been lower by ₹ 245.02 Crore and General Reserve would have been higher by an equivalent amount.

11. We draw attention to Note no. 35 of the consolidated Ind AS financial Statements, wherein pursuant to the Scheme of amalgamation of Reliance Cement Works Private Limited with Western Region Transmission (Maharashtra) Private Limited (WRTM), wholly owned subsidiary of the Company, which was subsequently amalgamated with the Parent Company w.e.f. April 1, 2013, WRTM or its successors is permitted to offset any extra ordinary / exceptional items, as determined by the Board of Directors, debited in the Statement of Profit and Loss by a corresponding withdrawal from General Reserve, which override the relevant provisions of IND AS - 1 "Presentation of financial statements". The Board of Directors of the Parent Company in terms of the aforesaid scheme, determined an amount of ₹ 558.58 Crore for the year ended March 31, 2017 as Exceptional items being write off of EPC advances as bad debts, which have been debited in the Consolidated Statement of Profit and Loss and an equivalent amount has been withdrawn from General Reserve. Had such withdrawal not been done, profit before tax for the year ended March 31, 2017 would have been lower by ₹ 558.58 Crore and General Reserve would have been higher by an equivalent amount.
12. We draw attention to Note no. 27 of the consolidated Ind AS financial statements detailing the accounting treatment given to the Scheme of amalgamation between Reliance Bhavnagar Power Private Limited and Reliance Infrastructure Engineers Private Limited and Reliance Jamnagar Power Private Limited (wholly owned subsidiaries of the Parent Company) and the Parent Company, sanctioned by the Hon'ble High Court of Judicature at Bombay vide order dated February 22, 2013, wherein as per the Scheme, the Holding Company is permitted to account for its Engineering, Procurement, Construction (EPC) and Contract activity without making any distinction whether the Principal [for whom the Parent Company is the contractor] is associate, subsidiary of associate or any third party. Accordingly, the Parent Company has not eliminated any part of unrealised profits for the year ended March 31, 2017 of ₹ 99.20 Crore on its EPC contracts with associates and subsidiaries of associates in its consolidated financial statements as permitted by the Scheme which overrides the relevant provisions of IND AS 28 - 'Investments in Associates and Joint Ventures'. Had the Scheme not prescribed the

above treatment, profit before tax and carrying cost of investment in associate for the year ended March 31, 2017 would have been lower by ₹ 99.20 Crore.

13. We draw attention to the following matters to which the statutory auditors of two subsidiaries of the Parent Company viz. BSES Rajdhani Power Limited (BRPL) and BSES Yamuna Power Limited (BYPL) and a associate company viz. Reliance Power Limited have drawn Emphasis of Matter in their audit reports:
  - i. We draw attention to Note no. 41(c) of the consolidated Ind AS financial statements regarding dues payable to NTPC and other Generator by BRPL and BYPL for which matter is pending before Hon'ble Supreme Court.
  - ii. We draw attention to Note no. 41(d) of the consolidated Ind AS financial statements relating to status of audit of BRPL and BYPL conducted by the Comptroller and Auditor General of India.
  - iii. We draw attention to Note no. 41(e) of the consolidated Ind AS financial statements with regard to DERC Tariff Order received by BRPL and BYPL wherein revenue gap upto March 31, 2014 has been trued up with certain disallowances. BRPL and BYPL have preferred an appeal before APTEL on the above disallowance and based on legal opinion, no impact of such disallowance, which is subject matter of appeal, has been considered.
  - iv. We draw attention to Note no. 42(b) of the consolidated Ind AS financial statements with respect to wholly owned subsidiary of Reliance Power Limited viz. Samalkot Power Limited (SMPL). SMPL is confident of arriving at a positive resolution to the situation arising from the unavailability of natural gas in the country, and concluding sale of its 745 MW plant. Having regard to the foregoing and the continued financial support from the parent company, the management believes that SMPL would be able to meet its financial obligations in the foreseeable future. Accordingly, the financial statements of SMPL have been prepared on a going concern basis.

Our opinion is not modified in respect of above matters.

**Other Matters**

14. The comparative financial information of the Group for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these consolidated Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us whose report for the year ended March 31, 2016 and March 31, 2015 dated May 28, 2016 and May 27, 2015 respectively expressed an unmodified opinion on those consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Group on transition to the Ind AS, which have been audited by us and respective component auditors.

15. The consolidated Ind AS financial statements include amounts in respect of 30 subsidiaries whose financial statements reflect total assets of ₹ 28,483.08 Crore and net assets of ₹ 5,137.28 Crore as at March 31, 2017, total revenues ₹ 14,286.37 Crore and net cash inflows of ₹ 177.92 Crore for the year ended on that date. The consolidated Ind AS financial statements also include 1 associate company and 1 joint venture which constitute net loss of ₹ 168.68 Crore for the year ended March 31, 2017. These financial statements / financial information have been audited by one of the joint auditors whose reports have been furnished to us by the management and our opinion on the consolidated Ind AS financial statements, in so far as relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entity and associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, jointly controlled entity and associate, is based solely on the reports of the other joint auditors.
16. The consolidated Ind AS financial statements include amount in respect of 1 associate company which constitute net profit of ₹ 477.22 Crore for the year ended March 31, 2017. The financial statements have been audited by Pathak H. D. & Associates, one of the joint auditor of the Parent Company along with the another auditor as joint auditors whose reports has been furnished to us by the management and reliance has been placed by the other joint auditor of the Parent Company for the purpose of this report.
17. The consolidated Ind AS financial statements include amounts in respect of 38 subsidiaries whose financial statements reflect total assets of ₹ 18,868.37 Crore and net assets of ₹ 4,810.71 Crore as at March 31, 2017, total revenues of ₹ 2,843.18 Crore and net cash outflow of ₹ 1.93 Crore, for the year ended on that date and 5 associate companies included in these consolidated Ind AS financial statements which constitute net profit of ₹ 0.51 Crore for the year ended March 31, 2017. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements, and our report on the Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

18. As required by Section 143(3) of the Act, we report to the extent applicable that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of other auditors;
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014; as referred to in paragraph 10, 11 & 12 above, the Parent Company has exercised the option available as per court orders which overrides the relevant provisions of IND AS - 1 "Presentation of financial statements" and IND AS 28 - 'Investments in Associates and Joint Ventures'.
  - e) On the basis of the written representations received from the directors of the Parent Company as on March 31, 2017 taken on record by the Board of Directors of the Parent Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled entities incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled entities incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Group, its associate and its jointly controlled entities and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - g) 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, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of

**Independent Auditors' Report on Consolidated Financial Statements**

- the Group, its associates and joint ventures. Refer Note No. 22 to the consolidated Ind AS financial statements;
- ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 46 (B) to the consolidated Ind AS financial statements in respect of such items as it relates to the Group, its associates and jointly controlled entities and the Group's share of net profit/loss in respect of its associates;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent Company and its subsidiary companies, associate companies and jointly controlled companies incorporated in India;
- iv. The Group has provided requisite disclosures in its Consolidated Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016 and is in accordance with the books of account maintained by the Company so far as it appears from our examination of those books and reports of other auditors – Refer Note 40 to the consolidated Ind AS financial statements.

**For Haribhakti & Co. LLP**      **For Pathak H. D. & Associates**  
Chartered Accountants      Chartered Accountants  
Firm Regn. No: 103523W / Firm Regn. No: 107783W  
W100048

**Bhavik L. Shah**      **Vishal D. Shah**  
Partner      Partner  
Membership No.122071      Membership No. 119303

Place : Mumbai      Place : Mumbai  
Date : April 15, 2017      Date : April 15, 2017



**Annexure to the Independent Auditor's Report on consolidated Ind AS financial statements referred to in paragraph "18 (f)" under the heading "Report on other legal and regulatory requirements" of our report of even date on the consolidated Ind AS financial statements of Reliance Infrastructure Limited for year ended March 31, 2017.**

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Reliance Infrastructure Limited ("the Parent Company") and its subsidiaries ("together referred to as "the Group"), its associates and jointly controlled entities which are incorporated in India as of March 31, 2017 in conjunction with our audit of the consolidated Ind AS financial statements of the Parent Company for the year ended on that date.

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

The Respective Board of Directors of the Parent Company, its subsidiaries, its associates and jointly controlled entities, which are incorporated in India are responsible for establishing and maintaining internal financial controls based on the respective internal control over financial reporting criteria established by the Parent Company, its subsidiaries, its associates and jointly controlled entities considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting 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 its business, including adherence to the respective 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.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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 internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal

financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiaries, associates and jointly controlled entities incorporated in India, in terms of their reports referred to in Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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

A Company's internal financial control over financial reporting 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 internal financial control over financial reporting 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**

Because of the inherent limitations of internal financial controls over financial reporting, 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 internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Annexure – A to Auditor's report**

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Parent Company, its subsidiaries, its associate companies and jointly controlled entities, which are incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by each Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**Other Matter**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to

- a) 38 subsidiary companies and 5 associate companies incorporated in India, is based on the corresponding reports of the other auditors of such companies incorporated in India.
- b) 30 subsidiary companies, 2 associate companies and 1 jointly controlled entity incorporated in India, which have been audited by one of us, is based on the corresponding reports of the auditors of such companies incorporated in India.

**For Haribhakti & Co. LLP**

Chartered Accountants

Firm Regn. No: 103523W / Firm Regn. No: 107783W  
W100048

**Bhavik L. Shah**

Partner

Membership No.122071

Place : Mumbai

Date : April 15, 2017

**For Pathak H. D. & Associates**

Chartered Accountants

**Vishal D. Shah**

Partner

Membership No. 119303

Place : Mumbai

Date : April 15, 2017

# Reliance Infrastructure Limited

## Consolidated Balance Sheet as at March 31, 2017

	Notes	As at March 31, 2017	As at March 31, 2016	₹ Crore As at April 01, 2015
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, Plant and Equipment	3	24,037.73	24,327.59	24,477.24
Capital work-in-progress	3	1,304.81	1,191.26	2,027.04
Investment property	4	558.42	589.42	-
Goodwill on Consolidation	5	1.75	33.42	33.42
Other intangible assets	5	11,969.30	8,525.65	7,491.87
Intangible assets under development	5	1,055.16	3,779.97	3,466.03
<b>Financial Assets:</b>				
Investments	7(a)	12,895.18	12,327.84	10,630.40
Trade Receivables	7(c)	-	267.82	827.16
Service Concession receivable	7(d)	928.39	1,094.52	1,003.77
Other financial assets	7(h)	156.59	229.24	285.60
Deferred tax assets (net)	13(g)	67.01	26.02	19.81
Other non-current assets	7(i)	507.96	1,247.58	819.51
<b>Total non-current assets</b>		<b>53,482.30</b>	<b>53,640.33</b>	<b>51,081.85</b>
<b>Current assets</b>				
Inventories	6	411.93	553.80	520.09
<b>Financial Assets:</b>				
Investments	7(b)	254.19	282.39	367.35
Trade receivables	7(c)	5,683.54	5,616.06	6,149.03
Cash and cash equivalents	7(e)	564.02	376.60	500.56
Bank balances other than Cash and cash equivalent	7(f)	113.92	104.32	94.13
Loans	7(g)	11,061.69	10,663.53	7,031.95
Service Concession receivable	7(d)	287.76	287.76	287.76
Other financial assets	7(h)	3,418.80	2,071.24	2,143.31
Current Tax Assets (Net)		40.43	49.88	49.23
Other current assets	7(i)	1,125.37	1,438.26	1,785.68
<b>Total current assets</b>		<b>22,961.65</b>	<b>21,443.84</b>	<b>18,929.09</b>
Assets classified as non-current assets held for sale	8(d)	3,934.16	7,603.08	8,192.82
Regulatory deferral account debit balances and related deferred tax balances	9	17,969.56	18,107.83	18,725.45
<b>Total Assets</b>		<b>98,347.67</b>	<b>100,795.08</b>	<b>96,929.21</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Equity share capital	10(a)	263.03	263.03	263.03
Other equity	10(b)	23,084.49	21,389.30	21,830.08
<b>Equity attributable to owners</b>		<b>23,347.52</b>	<b>21,652.33</b>	<b>22,093.11</b>
Non-controlling interests		1,596.95	1,627.71	1,694.82
<b>Total Equity</b>		<b>24,944.47</b>	<b>23,280.04</b>	<b>23,787.93</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
<b>Financial Liabilities:</b>				
Borrowings	11(a)	15,624.52	19,565.01	18,131.48
Finance lease obligations	38(i)	4,164.75	4,222.26	4,269.52
Trade payables	11(c)	4.98	252.82	424.64
Other financial liabilities	11(d)	2,745.95	2,693.88	2,098.23
Provisions	12	533.38	486.28	434.50
Deferred tax liabilities (net)	13(g)	3,187.09	3,367.66	3,436.02
Other non-current liabilities	11(e)	3,362.22	3,153.88	3,365.27
<b>Total non-current liabilities</b>		<b>29,622.89</b>	<b>33,741.79</b>	<b>32,159.66</b>
<b>Current liabilities</b>				
<b>Financial Liabilities:</b>				
Borrowings	11(b)	5,978.59	6,794.06	8,605.42
Finance lease obligations	38(i)	52.66	47.25	42.40
Trade payables	11(c)	21,165.77	18,289.10	15,308.41
Other financial liabilities	11(d)	9,501.39	9,356.94	8,635.64
Other current liabilities	11(e)	3,152.02	2,613.35	2,242.25
Provisions	12	410.08	336.88	254.82
Current tax liabilities (net)		505.75	525.19	260.95
<b>Total current liabilities</b>		<b>40,766.26</b>	<b>37,962.77</b>	<b>35,349.89</b>
Liabilities relating to non-current assets held for sale	8(d)	3,007.51	5,810.48	5,631.73
Regulatory deferral account credit balances and related deferred tax balances	9	6.54	-	-
<b>Total Equity and Liabilities</b>		<b>98,347.67</b>	<b>100,795.08</b>	<b>96,929.21</b>

The accompanying notes form an integral part of the Consolidated Financial Statements (1 – 47) .

As per our attached Report of even date

**For Haribhakti & Co. LLP.**

Chartered Accountants  
Firm Registration No. 103523W/W100048

**Bhavik L. Shah**

Partner  
Membership No. 122071

**For Pathak H. D. & Associates**

Chartered Accountants  
Firm Registration No. 107783W

**Vishal D. Shah**

Partner  
Membership No. 119303

For and on behalf of the Board

**Anil D Ambani**

**S Seth**

**S S Kohli**

**Dr V K Chaturvedi**

**Ryna Karani**

**V R Galkar**

**K Ravikumar**

**Shiv Prabhat**

**Lalit Jalan**

**Sridhar Narasimhan**

**Ramesh Shenoy**

DIN – 00004878

DIN – 00004631

DIN – 00169907

DIN – 01802454

DIN – 00116930

DIN – 00009177

DIN – 00119753

DIN – 07319520

Chairman  
Vice Chairman

Directors

Chief Executive Officer  
Chief Financial Officer  
Company Secretary

Date : April 15, 2017  
Place : Mumbai

Date : April 15, 2017  
Place : Mumbai

Date : April 15, 2017  
Place : Mumbai

Consolidated Statement of Profit and Loss for the year ended March 31, 2017

	Notes	Year ended March 31, 2017	Year ended March 31, 2016
Revenue from Operations	14	24,666.46	26,216.61
Other Income	15	2,397.35	2,054.64
Less: Transfer to General Reserve	28	27.34	-
		2,370.01	2,054.64
<b>Total Income</b>		<b>27,036.47</b>	<b>28,271.25</b>
Expenses			
Cost of Power Purchased		13,146.06	13,232.27
Cost of Fuel Consumed		1,051.61	1,016.05
Construction Material Consumed and Sub-Contracting Charges		1,974.80	2,624.20
Employee Benefits Expenses	16	1,706.21	1,688.06
Finance Costs	17	5,649.90	5,278.31
Less: Transfer from General Reserve	28	-	252.50
		5,649.90	5,025.81
Depreciation and Amortization Expense	3,4,5	1,688.33	1,543.89
Other Expenses	18	2,342.10	2,624.83
Less: Transfer from General Reserve	28	272.36	158.26
		2,069.74	2,466.57
<b>Total Expenses</b>		<b>27,286.65</b>	<b>27,596.85</b>
<b>Profit / (Loss) before Exceptional Items, Rate Regulated Activities and Tax</b>		<b>(250.18)</b>	<b>674.40</b>
Exceptional Items:	35		
Income		85.58	-
Expenses		555.58	540.47
Less : Transfer from General Reserve		555.58	499.53
		85.58	(40.94)
<b>Profit / (Loss) before Rate Regulated Activities and Tax</b>		<b>(164.60)</b>	<b>633.46</b>
Add / (Less) : Regulatory Income / (Expense) (Net of Deferred Tax)	9	1,185.55	190.90
<b>Profit / (Loss) before Tax</b>		<b>1,020.95</b>	<b>824.36</b>
Tax Expenses:	13(a)		
Current Tax		95.66	290.95
Deferred Tax Liabilities / (Assets) (net)		(221.56)	(74.57)
Income Tax for earlier years (net)		(16.28)	8.24
		(142.18)	224.62
<b>Profit / (Loss) from Continuing Operations after Tax</b>		<b>1,163.13</b>	<b>599.74</b>
Profit / (Loss) from Discontinued Operations before Tax		(109.68)	(334.34)
Tax Expenses of Discontinued Operations:	13(a)		
Current Tax		3.43	1.20
Deferred Tax Liabilities / (Assets) (net)		(35.27)	(21.83)
Income Tax for earlier years (net)		(0.09)	-
		(31.93)	(20.63)
<b>Profit / (Loss) from Discontinued Operations</b>		<b>(77.75)</b>	<b>(313.71)</b>
<b>Profit / (Loss) for the year before Share of net profit of Associates and Joint Venture</b>		<b>1,085.38</b>	<b>286.03</b>
Share of net profit of Associates and Joint Ventures accounted for using the equity method		309.05	406.49
<b>Profit / (Loss) for the year</b>		<b>1,394.43</b>	<b>692.52</b>
Non Controlling Interest		(30.75)	(67.11)
<b>Net Profit / (Loss) for the year attributable to the owners of the Parent Company</b>		<b>1,425.18</b>	<b>759.63</b>
<b>Other Comprehensive Income (OCI):</b>			
Items that will not be reclassified to Profit and Loss			
Remeasurements of net defined benefit plans : Gain / (Loss)	39	(32.83)	(28.51)
(including share of associates ₹ 0.01 Crore (₹ 0.34 Crore))			
Net movement in Regulatory Deferral Account balances related to OCI	9	2.41	5.00
Income Tax relating to the above	13(a)	6.01	(2.85)
<b>Other Comprehensive Income, net of taxes</b>		<b>(24.41)</b>	<b>(26.36)</b>
<b>Total Comprehensive income for the year</b>		<b>1,370.02</b>	<b>666.16</b>
Profit / (Loss) attributable to :			
(a) Owners of the Parent Company		1,425.18	759.63
(b) Non Controlling Interest		(30.75)	(67.11)
		1,394.43	692.52
<b>Other Comprehensive Income attributable to :</b>			
(a) Owners of the Parent Company		(24.14)	(26.35)
(b) Non Controlling Interest		(0.27)	(0.01)
		(24.41)	(26.36)
<b>Total Comprehensive Income attributable to :</b>			
(a) Owners of the Parent Company		1,401.04	733.28
(b) Non Controlling Interest		(31.02)	(67.12)
		1,370.02	666.16
<b>Earnings Per Equity Share (face value of ₹ 10 each)</b>	19		
Earnings Per Equity Share (for Continuing Operations) :			
Basic & Diluted		57.14	40.81
Earnings Per Equity Share (for Discontinued Operations) :			
Basic & Diluted		(2.96)	(11.93)
Earnings Per Equity Share (for Continuing and Discontinued Operations) :			
Basic & Diluted		54.18	28.88
Earnings Per Equity Share (before Rate Regulatory Activities) :			
Basic & Diluted		9.11	21.62

The accompanying notes form an integral part of the Consolidated Financial Statements (1 – 47) .

As per our attached Report of even date

**For Haribhakti & Co. LLP.**  
Chartered Accountants  
Firm Registration No. 103523W/W100048

**Bhavik L. Shah**  
Partner  
Membership No. 122071

**For Pathak H. D. & Associates**  
Chartered Accountants  
Firm Registration No. 107783W

**Vishal D. Shah**  
Partner  
Membership No. 119303

For and on behalf of the Board

**Anil D Ambani** DIN - 00004878  
**S Seth** DIN - 00004631  
**S S Kohli** DIN - 00169907  
**Dr V K Chaturvedi** DIN - 01802454  
**Ryna Karani** DIN - 00116930  
**V R Galkar** DIN - 00009177  
**K Ravikumar** DIN - 00119753  
**Shiv Prabhat** DIN - 07319520  
**Lalit Jalan**  
**Sridhar Narasimhan**  
**Ramesh Shenoy**

Chairman  
Vice Chairman

Directors

Chief Executive Officer  
Chief Financial Officer  
Company Secretary

Date : April 15, 2017  
Place : Mumbai

Date : April 15, 2017  
Place : Mumbai

Date : April 15, 2017  
Place : Mumbai

# Consolidated Statement of Changes in Equity

## A. Equity Share Capital (Refer Note No.10(a))

Particulars	Balance at the beginning of the year	Changes in equity share capital during the year	Balance at the end of the year
As at April 01, 2015	263.03	-	263.03
As at March 31, 2016	263.03	-	263.03
<b>As at March 31, 2017</b>	<b>263.03</b>	<b>-</b>	<b>263.03</b>

## B. Other Equity

Particulars	Note	Reserves and Surplus							Other Reserves				Total	
		Retained Earning	Capital Reserve	Capital Reserve on Consolidation	Capital Redemption Reserve	Securities Premium Account	Debenture Redemption Reserve	General Reserve	Contingency Reserve	Statutory Reserves <sup>@</sup>	Foreign Currency Monetary Item Translation Difference Account	Self Insurance Reserve		Treasury Shares
<b>Balance as at April 01, 2015</b> Profit / (Loss) for the year		<b>(1,186.89)</b> 692.52	<b>3,777.02</b> -	<b>3,900.89</b> -	<b>130.03</b> -	<b>8,825.09</b> -	<b>459.87</b> -	<b>5,672.77</b> -	<b>95.00</b> -	<b>263.99</b> -	<b>(71.68)</b> -	<b>0.84</b> -	<b>(36.85)</b> -	<b>21,830.08</b> 692.52
<b>Other comprehensive income for the year</b> Remeasurements gains / (loss) on defined benefit plans (Net of Tax) and movement in Regulatory Deferral account balance.		(26.36)	-	-	-	-	-	-	-	-	-	-	-	(26.36)
<b>Total comprehensive income for the year</b> Adjustment of Carrying Cost Addition on increase in stake Transfer to General Reserve Transfer from Retained Earnings Transfer to Consolidated Statement of Profit and Loss (net) Transfer to Consolidated Statement of Profit and Loss Transfer to General Reserve Additions on change of control Non Controlling Interest Transfer to Debenture Redemption Reserve Addition to Foreign Currency Monetary Item Translation Difference Account	28 35	<b>666.16</b> (285.53) - (1,400.00) (0.94) - - 126.88 67.11 (242.46) - - -	- - - - - - - - - - -	- 73.87 - - - - - - - - -	- - - - - - - - - -	- - - - - - - - - -	- - - - - - - - - -	- - - - - - - - - -	<b>95.00</b> - - - - - - - - - -	<b>263.99</b> - - - - - - - - - -	<b>(71.68)</b> - - - - - - - - - -	<b>0.84</b> - - - - - - - - - -	<b>(36.85)</b> - - - - - - - - - -	<b>666.16</b> (285.53) 73.87 - - - - - - - -
Amortisation during the year from Foreign Currency Monetary Item Translation Difference Account		-	-	-	-	-	-	-	-	-	105.84	-	-	105.84

Consolidated Statement of Changes in Equity

Particulars	Note	Reserves and Surplus							Other Reserves				Total	
		Retained Earning	Capital Reserve	Capital Reserve on Consolidation	Capital Redemption Reserve	Securities Premium Account	Debt Redemption Reserve	General Reserve	Contingency Reserve	Statutory Reserves @	Foreign Currency Monetary Item Translation Difference Account	Self Insurance Reserve		Treasury Shares
Transaction with owners in their Capacity as owners														
Dividend Paid (Including Tax on Dividend)		(257.63)	-	-	-	-	-	-	-	-	-	-	-	(257.63)
Balance as at March 31, 2016		(1,992.57)	-	73.87	-	-	141.11	591.06	-	-	78.65	0.94	-	(1,106.94)
Balance as at April 01, 2016		(2,513.30)	3,777.02	3,974.76	130.03	8,825.09	600.98	6,263.83	95.00	263.99	6.97	1.78	(36.85)	21,389.30
Profit / (Loss) for the year		(2,513.30)	3,777.02	3,974.76	130.03	8,825.09	600.98	6,263.83	95.00	263.99	6.97	1.78	(36.85)	21,389.30
Other comprehensive income for the year		1,394.43	-	-	-	-	-	-	-	-	-	-	-	1,394.43
Remeasurements gains / (loss) on defined benefit plans (Net of Tax) and movement in Regulatory Deferral account balance.		(24.41)	-	-	-	-	-	-	-	-	-	-	-	(24.41)
Total comprehensive income for the year		1,370.02	-	-	-	-	-	-	-	-	-	-	-	1,370.02
Adjustment of Carrying Cost		15.96	-	-	-	-	-	-	-	-	-	-	-	15.96
Transfer to Consolidated Statement of Profit and Loss (net)	28	-	-	-	-	-	-	(245.02)	-	-	-	-	-	(245.02)
Transfer to General reserve		-	-	-	-	-	-	95.00	(95.00)	-	-	-	-	-
Transfer from Retained Earning		(0.94)	-	-	-	-	-	-	-	-	-	0.94	-	-
Transfer to Consolidated Statement of Profit and Loss	35	-	-	-	-	-	-	(555.58)	-	-	-	-	-	(555.58)
Adjustment on dilution of Control		(132.24)	-	-	-	-	-	-	-	-	-	-	-	132.24
Adjustment on Scheme of arrangement		-	1,402.95	-	-	-	-	-	-	-	-	-	-	1,402.95
Non Controlling Interest		31.02	-	-	-	-	-	-	-	-	-	-	-	31.02
Transfer to Debt Redemption Reserve		(200.39)	-	-	-	-	200.39	-	-	-	-	-	-	-
Transfer to General reserve		-	-	-	-	-	(175.00)	175.00	-	-	-	-	-	-
Provision for diminution in value of equity shares		-	-	-	-	-	-	-	-	-	-	-	11.27	11.27
Addition to Foreign Currency Monetary Item Translation Difference Account		-	-	-	-	-	-	-	-	-	(4.40)	-	-	(4.40)
Amortisation during the year from Foreign Currency Monetary Item Translation Difference Account		-	-	-	-	-	-	-	-	-	69.02	-	-	69.02

## Consolidated Statement of Changes in Equity

Particulars	Note	Reserves and Surplus						Other Reserves				Total		
		Retained Earning	Capital Reserve	Capital Reserve on Consolidation	Capital Redemption Reserve	Securities Premium Account	Debt Redemption Reserve	General Reserve	Contingency Reserve	Statutory Reserves <sup>(a)</sup>	Foreign Currency Monetary Item Translation Difference Account		Self Insurance Reserve	Treasury Shares
Transaction with owners in their Capacity as owners														
Dividend Paid (Including Tax on Dividend)	(267.80)		-	-	-	-	-	-	-	-	-	-	-	(267.80)
	(554.39)	1,402.95		-	-	25.39	(530.60)	(95.00)	-	64.62	0.94	11.27		325.18
Balance as at March 31, 2017	(1,697.68)	5,179.97	3,974.76	130.03	8,825.09	626.37	5,733.23	-	263.99	71.59	2.72	(25.58)		23,084.49

		As at		As at		As at	
		March 31, 2017		March 31, 2016		April 01, 2015	
<b>@ Statutory Reserves includes :</b>							
1.	Development Reserve Account No.1	1.69		1.69		1.69	
2.	Development Reserve Account No.2	18.97		18.97		18.97	
3.	Debt Redemption Reserve	2.30		2.30		2.30	
4.	Rural Electrification Scheme Reserve	0.11		0.11		0.11	
5.	Reserve to Augment Production Facilities	0.04		0.04		0.04	
6.	Reserve for Power Project	100.00		100.00		100.00	
7.	Development Reserve Account No.3	140.88		140.88		140.88	
<b>Total</b>		<b>263.99</b>		<b>263.99</b>		<b>263.99</b>	

The accompanying notes form an integral part of the Consolidated Financial Statements (1 – 47).

As per our attached Report of even date

**For Haribhakti & Co. LLP.**

Chartered Accountants

Firm Registration No. 103523W/W100048

**For Pathak H. D. & Associates**

Chartered Accountants

Firm Registration No. 107783W

For and on behalf of the Board

**Anil D Ambani**

DIN – 00004878

**S Seth**

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DIN – 07319520

Chairman

Vice Chairman

Directors

Chief Executive Officer

Chief Financial Officer

Company Secretary

Date : April 15, 2017

Place : Mumbai

Date : April 15, 2017

Place : Mumbai

Date : April 15, 2017

Place : Mumbai



**Consolidated Statement of Cash Flows for the year ended March 31, 2017**

	Year ended March 31, 2017	(₹ Crore) Year ended March 31, 2016
<b>Cash Flow from Operating Activities:</b>		
<b>Profit before tax</b>	<b>1,020.95</b>	824.36
Adjustments for:		
Depreciation and amortisation expenses	<b>1,688.33</b>	1,543.89
Net (Income) / Expenses relating to Investment Property	<b>(35.21)</b>	(6.48)
Interest Income (Including fair valuation gain on financial instruments)	<b>(2,028.36)</b>	(1,916.33)
Dividend Income	<b>(6.54)</b>	(13.81)
Gain on sale / redemption of investments (net)	<b>(181.35)</b>	(31.83)
Interest and Finance Costs (net of transfer from reserves)	<b>5,649.90</b>	5,025.81
Provision for doubtful debts / advances / deposits	<b>133.91</b>	546.08
Amortisation of Consumer Contribution	<b>(39.28)</b>	(32.19)
Provision for Retirement of Inventory and Property, Plant and Equipments	<b>1.01</b>	9.01
Loan written off	<b>12.00</b>	-
Excess Provisions Written Back	<b>(58.80)</b>	(173.51)
Loss on Sale / Discarding of Assets	<b>66.94</b>	50.00
Loss on write off of Capital Work in Progress	<b>19.75</b>	40.97
Provision for Contingency Reserve Fund	<b>16.77</b>	15.56
Provision for / (write back of) diminution in value of investments	<b>(3.78)</b>	4.07
Provision For Leave Encashment And Gratuity	<b>37.15</b>	39.28
Income from Financial Guarantee Obligation (net)	<b>(7.71)</b>	(6.79)
Reversal of Provision for Impairment of Assets	<b>(39.64)</b>	-
Net foreign exchange / derivative (gain)/loss	<b>(4.60)</b>	8.65
Provision for major maintenance and overhaul expenses	<b>13.26</b>	12.33
<b>Cash Generated from Operations before working capital changes</b>	<b>6,254.69</b>	5,939.07
Adjustments for:		
Increase / (Decrease) in Financial Assets and Other Assets	<b>249.67</b>	2,362.75
Increase / (Decrease) in Inventories	<b>141.87</b>	(16.10)
Increase / (Decrease) in Financial Liabilities and Other Liabilities	<b>2,390.39</b>	1,586.93
<b>Cash generated from operations</b>	<b>9,036.62</b>	9,872.65
Income Taxes paid (net of refunds)	<b>(140.13)</b>	(27.11)
<b>Net cash generated from operating activities – Continuing Operations [A]</b>	<b>8,896.49</b>	9,845.54
<b>Net cash generated from operating activities – Discontinued Operations</b>	<b>476.45</b>	450.14
<b>Net cash generated from operating activities – Continuing and Discontinued Operations</b>	<b>9,372.94</b>	1,02,95.68
<b>Cash Flow from Investing Activities:</b>		
Purchase of intangible assets (including intangible assets under development)	<b>(1,211.01)</b>	(1,403.66)
Interest on Service Concession Received	<b>131.75</b>	112.43
Purchase of Property, Plant and Equipment (including capital work in progress, capital advance and capital creditors)	<b>(1,129.51)</b>	(1,150.16)
Purchase of Investment Property	<b>(64.55)</b>	(140.17)
Proceeds From Disposal of Property, Plant and Equipment	<b>21.73</b>	5.09
Net Income / (Expenses) relating to Investment Property	<b>25.59</b>	(2.87)
Investment / (Redemption) in fixed deposits	<b>3.93</b>	(26.55)
Investment in Associates	<b>(40.02)</b>	(1,567.70)
Investment in others	<b>(962.41)</b>	(6,900.47)
Sale of Investment in Subsidiaries (Refer Note No. 8 (d))	<b>2,010.00</b>	-
Sale / Redemption of Investment in others	<b>1,097.03</b>	7,093.60
Inter Corporate Deposits given (net)	<b>(1,059.01)</b>	(3,726.33)
Dividend received	<b>4.70</b>	7.59
Interest Income	<b>1,143.80</b>	1,496.71

# Reliance Infrastructure Limited

## Consolidated Statement of Cash Flows for the year ended March 31, 2017

	Year ended March 31, 2017	(₹ Crore) Year ended March 31, 2016
<b>Net cash (used in) / generated from investing activities – Continuing Operations [B]</b>	<b>(27.98)</b>	(6,202.49)
<b>Net cash (used in) / generated from investing activities – Discontinued Operations</b>	<b>(31.64)</b>	508.59
<b>Net cash (used in) / generated from investing activities – Continuing and Discontinued Operations</b>	<b>(59.62)</b>	(5,693.90)
<b>Cash Flow from Financing Activities:</b>		
Proceeds from long term borrowings	4,316.85	6,323.73
Repayment of long term borrowings	(6,815.57)	(3,923.64)
Proceeds / (Repayment) of Short Term Borrowings (Net)	(1,151.11)	(2,562.65)
Principal payment of Financial Lease Obligation	(47.26)	(42.40)
Payment of Interest and Finance charges	(4,302.11)	(3,432.37)
Interest payment on Finance Lease Obligation	(462.21)	(467.06)
Realised Gain / (Loss) on derivative instruments (net)	0.77	(1.39)
Dividends paid to Shareholders Including Tax	(253.56)	(256.87)
<b>Net cash used in financing activities – Continuing Operations [C]</b>	<b>(8,714.20)</b>	(4,362.65)
<b>Net cash used in financing activities – Discontinued Operations</b>	<b>(432.08)</b>	(341.35)
<b>Net cash used in financing activities – Continuing and Discontinued Operations</b>	<b>(9,146.28)</b>	(4,704.00)
<b>Effect of exchange difference on translation of foreign currency cash and cash equivalent – [D]</b>	<b>(2.14)</b>	3.79
<b>Net Increase/(Decrease) in cash and cash equivalents – [A+B+C+D]</b>	<b>164.90</b>	(98.43)
Add: Adjustment on Disposal of Subsidiaries	(12.86)	-
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>453.98</b>	552.41
<b>Cash and Cash Equivalents at the end of the year</b>	<b>606.02</b>	453.98
 Cash and Cash Equivalents – Continuing Operations (For Component Refer Note No.7 (e))	 564.02	376.60
Cash and Cash Equivalents – Discontinued Operations	42.00	77.38
	<b>606.02</b>	453.98

Note: Figures in brackets indicate cash outflows.

\*Including balance in unpaid dividend account ₹ 14.32 Crore (₹ 13.32 Crore) and balance in current account with banks of ₹ 7.45 Crore (₹ 14.76 Crore) lying in escrow account with bank held as a Security against the borrowings and fixed deposits of ₹ 41.27 Crore (₹ 33.04 Crore) held as security with banks / authorities.

Previous year figures have been regrouped / reclassified / rearranged wherever necessary to make them comparable to those for the current year.

The above statement of cash flows should be read in conjunction with the accompanying notes (1 – 47).

As per our attached Report of even date  
**For Haribhakti & Co. LLP.**  
Chartered Accountants  
Firm Registration No. 103523W/W100048

**Bhavik L. Shah**  
Partner  
Membership No. 122071

**For Pathak H. D. & Associates**  
Chartered Accountants  
Firm Registration No. 107783W

**Vishal D. Shah**  
Partner  
Membership No. 119303

For and on behalf of the Board

**Anil D Ambani** DIN – 00004878  
**S Seth** DIN – 00004631  
**S S Kohli** DIN – 00169907  
**Dr V K Chaturvedi** DIN – 01802454  
**Ryna Karani** DIN – 00116930  
**V R Galkar** DIN – 00009177  
**K Ravikumar** DIN – 00119753  
**Shiv Prabhat** DIN – 07319520  
**Lalit Jalan**  
**Sridhar Narasimhan**  
**Ramesh Shenoy**

Chairman  
Vice Chairman

Directors

Chief Executive Officer  
Chief Financial Officer  
Company Secretary

Date : April 15, 2017  
Place : Mumbai

Date : April 15, 2017  
Place : Mumbai

Date : April 15, 2017  
Place : Mumbai

**Notes annexed to and forming part of the Consolidated Financial Statements**

**Corporate information**

Reliance Infrastructure Limited (RInfra) is one of the largest infrastructure companies, developing projects through various Special Purpose Vehicles (SPVs) in several high growth sectors within the infrastructure space such as Power, Roads, Metro Rail, Cement and Defence. RInfra is also a leading utility having presence across the value chain of power business i.e. Generation, Transmission, Distribution and Power Trading. RInfra also provides Engineering, Procurement and Construction (EPC) services for various infrastructure projects. Information on the Group's structure is provided in Note No.43. Information on other related party relationships of the Group is provided in Note No. 25.

The Consolidated Financial Statements comprise financial statements of Reliance Infrastructure Limited ('RInfra' or the 'Parent Company') and its subsidiaries (collectively, the Group) for the year ended March 31, 2017. These Consolidated Financial Statements of RInfra for the year ended March 31, 2017 were authorised for issue by the Board of Directors on April 15, 2017. Pursuant to the provisions of section 130 of the Act, the Central Government, Income tax authorities, Securities and Exchange Board of India, other statutory regulatory body and under section 131 of the Act, the Board of Directors of the Company have powers to amend / re-open the financial statements approved by the board / adopted by the members of the Company.

RInfra is a Public Limited Company which is listed on two recognised stock exchanges in India. The RInfra's Global Depository Receipts, representing Equity Shares, is also listed on London Stock Exchange. RInfra is incorporated and domiciled in India under the provisions of the Indian Companies Act, 1913. The registered office of RInfra is located at H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400710.

**1. Significant accounting policies**

This note provides a list of the significant accounting policies adopted in the preparation of these Consolidated Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

**(a) Basis of preparation, measurement and significant accounting policies:**

**(i) Compliance with Indian Accounting Standards (Ind AS)**

The Consolidated Financial Statements of the Group comply in all material aspects with Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with relevant rules and other accounting principles. The policies set out below have been consistently applied during the years presented.

**(ii) Basis of Preparation**

The Consolidated Financial Statements for all periods up to and including the year ended March 31, 2016 were prepared in accordance with the accounting standards notified under Section 133 of Companies Act, 2013 read together with the Companies (Accounts) Rules, 2014 ("Previous GAAP"). In case of BSES Rajdhani Power Limited (BRPL) and BSES Yamuna Power Limited (BYPL) provisions of the Delhi Electricity Reform (Transfer Scheme) Rules, 2001 (hereinafter referred to as 'Transfer Scheme') and other relevant documents / agreements have also been taken into account while preparing the Consolidated Financial Statements. As these Consolidated Financial Statements for the year ended March 31, 2017 are the first Consolidated Financial Statements of the Group prepared in accordance with Ind AS, Ind AS 101, "First-time Adoption of Indian Accounting Standards" has been applied. An explanation of how the transition from Previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows including reconciliations and descriptions of the effect of the transition are provided in Note No. 45.

These Consolidated Financial Statements are presented in 'Indian Rupees', which is also the Group's functional currency and all amounts, are rounded to the nearest Crore with two decimals, unless otherwise stated.

The Consolidated Financial Statements have been prepared in accordance with the requirements of the information and disclosures mandated by Schedule III to the Act, applicable Ind AS, other applicable pronouncements and regulations. The tariff in respect of Mumbai Generation, Transmission, Distribution Business of Parent Company, Distribution Business of Delhi Discoms (BRPL/BYPL) and Transmission Business of Parbati Koldam Transmission Company Limited (PKTCL) are subject to approval from Regulatory Authorities. The basis of accounting for regulatory deferral balances of such businesses is in accordance with the provisions of Ind AS 114 "Regulatory Deferral Accounts" read with the Guidance Note on Rate Regulated Activities issued by The Institute of Chartered Accountants of India (ICAI).

**(iii) Basis of Measurement**

The Consolidated Financial Statements have been prepared on a historical cost convention on accrual basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) that is measured at fair value;
- defined benefit plans – plan assets measured at fair value; and
- assets held for sale – measured at fair value less cost to sell or carrying value, whichever is lower.

### (iv) New Standards and Interpretations not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, "Statement of cash flows" and Ind AS 102, "Share-based payment". The amendments are applicable to the Group from April 1, 2017.

#### **Amendment to Ind AS 7 "Statement of Cash Flows":**

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of Consolidated 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.

The Group is evaluating the requirements of the amendment and the effect on the Consolidated Financial Statements is being evaluated.

#### **Amendment to Ind AS 102 "Share Based Payment":**

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that includes a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The Group is evaluating the requirements of the amendment and the impact on the Consolidated Financial Statements.

- (v) Consolidated Financial Statements have been prepared on a going concern basis in accordance with the applicable accounting standards prescribed in the Companies (Indian Accounting Standards), Rules, 2015 issued by the Central Government.

### (b) Principles of consolidation and equity accounting

#### (i) Subsidiaries

Subsidiaries are all entities (including structured 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 and its subsidiaries line by line adding together like items of assets, liabilities, 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.

#### (ii) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iv) below), after initially being recognised at cost.

#### (iii) Joint arrangements

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Parent Company has both joint operations and joint ventures.

**Notes annexed to and forming part of the Consolidated Financial Statements**

**Joint operations**

Parent Company recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the Consolidated Financial Statements under the appropriate headings. Details of the joint operation are set out in Note No. 43(e).

**Joint ventures**

Interests in joint ventures are accounted for using the equity method (see (iv) below), after initially being recognised at cost in the consolidated balance sheet.

**(iv) Equity method**

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in Note No.i(c) below.

**(v) Changes in ownership interests**

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity (Refer Note No.43(c)).

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in Consolidated Profit and Loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to Consolidated Statement of Profit and Loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

**(vi)** The excess of cost to the Parent Company of its investment in the subsidiary / joint venture over the Parent Company's portion of equity of the subsidiary / joint venture is recognised in the Consolidated Financial Statements as Goodwill. This Goodwill is tested for impairment at the end of the financial year. The excess of Parent Company's portion of equity over the cost of investment as at the date of its investment is treated as Capital Reserve.

**(vii)** The financial statements of the subsidiaries / joint ventures / associates used in consolidation are drawn upto the same reporting date as that of the Parent Company.

**(c) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM).

The board of directors of Parent Company has appointed the chief executive officer ('CEO') to assess the financial performance and position of the Group, and makes strategic decisions. The CEO has been identified as being the chief operating decision maker for corporate planning. Refer Note No. 26 for segment information presented.

### (d) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- Held primarily for the purpose of trading

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
- Held primarily for the purpose of trading

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. Regulatory Assets / Liabilities are presented as separate line item distinguished from assets and liabilities as per Ind AS 114 "Regulatory Deferral Accounts".

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

### (e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are, wherever applicable, inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Further specific criteria for revenue recognition are followed for different businesses as under:

#### i. Power Business:

Revenue from sale of power is accounted on the basis of billing to consumers based on billing cycles followed by the Group which is inclusive of fuel adjustment charges (FAC) and unbilled revenue for the year. Generally all consumers are billed on the basis of recording of consumption of electricity by installed meters. Where meters have stopped or are faulty, the billing is done based on the past consumption for such period.

The Parent Company, PKTCL, BRPL and BYPL determine revenue gaps (i.e. surplus / shortfall in actual returns over returns entitled) in respect of their regulated operations in accordance with the provisions of Ind AS 114 "Regulatory Deferral Accounts" read with the Guidance Note on Rate Regulated Activities issued by ICAI and based on the principles laid down under the relevant tariff regulations / tariff orders notified by the respective state electricity regulators and the actual or expected actions of the regulators under the applicable regulatory framework. Appropriate adjustments in respect of such revenue gaps are made in the revenue of the respective years for the amounts which are reasonably determinable and no significant uncertainty exists in such determination. These adjustments / accruals representing revenue gaps are carried forward as Regulatory deferral accounts debit / credit balances (Regulatory assets / Regulatory liabilities) as the case may be in the Consolidated Financial Statements and are classified Separately in the Consolidated Financial Statements, which would be recovered / refunded through future billing based on future tariff determination by the regulators in accordance with the respective electricity regulations.

Notes annexed to and forming part of the Consolidated Financial Statements

The Group presents separate line items in the balance sheet for:

- a) the total of all regulatory deferral account debit balances and related deferred tax balances; and
- b) the total of all regulatory deferral account credit balances and related deferred tax balances.

A separate line item is presented in the Consolidated Statement of Profit and Loss for the net movement in regulatory deferral account net of deferred tax for the reporting period.

In case of BKPL, revenue from sale of power is accounted for on the basis of billing to bulk customer as provided in the Power Purchase Agreement (PPA).

In case of RETL, revenue from sale of power and margin on power banking transactions is accounted for based on rates agreed with the customers on delivery of power. Compensation for deviation of committed/contracted power is accounted as sales and purchase of power, as the case may be, on its occurrence. The margin earned on sale or purchase of power through energy exchange is recognised on the date of transaction with the exchange.

In case of Transmission business not assessed as service concession arrangement, revenue is accounted on the basis of periodic billing to consumers / state transmission utility. The surcharge on late/non-payment of dues by sundry debtors for sale of energy is recognised as revenue on receipt basis. The Transmission system incentive/disincentive is accounted for based on the certification of availability by the respective regional power committee and in accordance with the norms notified / approved by the CERC.

**ii. EPC and Contracts Business:**

In respect of construction contracts, the Group uses the 'percentage-of-completion method' to determine the appropriate amount of revenue to be recognised in a given period. The stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred in the year in connection with the future activity on a contract are excluded from contract costs in determining the stage of completion.

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract by reference to the stage of completion.

Contract costs are recognised as expenses by reference to the stage of completion of the contract activity at the end of the reporting period. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

Variations in contract work, claims and incentive payments are included in contract revenue to the extent that may have been agreed with the customer and are capable of being reliably measured.

**iii. Infrastructure Business:**

In respect of Toll Roads, toll revenue from operations of the facility is accounted on receipt basis.

In respect of Airports, revenue is recognised on accrual basis when services are rendered and is net of service tax.

In respect of Metro Rail Transit System, revenue from fare collection is recognized on the basis of use of tokens, money value of actual usage in case of smart cards and other direct fare collection.

**iv. Cement Business:**

In case of Cement business, sales are net of sales tax, VAT, rebates and returns but include excise duty.

**v. Service Concession Arrangements:**

The Group manages concession arrangements which include the construction of roads, rails, transmission lines and power plants followed by a period in which the Group maintains and services the infrastructure. This may also include, in a secondary period, asset replacement or refurbishment. These concession arrangements set out rights and obligations relative to the infrastructure and the service to be provided.

Under Appendix A to Ind AS 11 – "Service Concession Arrangements", these arrangements are accounted for based on the nature of the consideration. The financial model/intangible asset model are used when the Group has an unconditional right to receive cash or another financial asset from or at the direction of the grantor for the construction services.

For fulfilling those obligations, the Group is entitled to receive either cash from the grantor or a contractual right to charge the users of the service. The consideration received or receivable is allocated by reference to the relative fair values of the services provided; typically:



- A construction component
- A service element for operating and maintenance services performed

As given below, the right to consideration give rises to an intangible asset, or financial asset:

- Revenue from the concession arrangements earned under the financial asset model consists of the (i) fair value of the amount due from the grantor; and (ii) interest income related to the capital investment in the project.
- Income from the concession arrangements earned under the intangible asset model consists of the fair value of contract revenue, which is deemed to be fair value of consideration transferred to acquire the asset and payments actually received from the users.

**vi. Others:**

Insurance and other claims are recognised as revenue on certainty of receipt on prudent basis.

Income from advertisements, rentals and others is recognized in accordance with terms of the contracts with customers based on the period for which the Group's facilities have been used.

Amounts received from consumers as Service Line Contribution (SLC) towards Property, Plant and Equipment (PPE) are accounted as Liability under Non-Current Liabilities. An amount equivalent to depreciation on such PPE is recognised as income in the Consolidated Statement of Profit and Loss over the life of the assets.

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividends are recognised in Consolidated Statement of Profit and Loss only when the right to receive payment is established.

**(f) Accounting of assets under Service Concession Arrangement:**

The Group has Toll Road Concession rights/ Metro Rail / transmission lines and Power Plants Concession Right where it Designs, Builds, Finances, Operates and Transfers (DBFOT) or Builds Operates and Transfer (BOT) as the case may be, infrastructure used to provide public service for a specified period of time. These arrangements may include Infrastructure used in a public-to-private service concession arrangement for its entire useful life.

These arrangements are accounted for based on the nature of the consideration. The intangible asset model is used to the extent that it receives a right (a license) to charge users of the public service. The financial asset model is used when it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services. When the unconditional right to receive cash covers only part of the service, the two models are combined to account separately for each component. If more than one service (i.e., construction or upgrade services and operation services) is under a single contract or arrangement, consideration received or receivable is allocated by reference to the relative fair values of the services delivered, when the amounts are separately identifiable.

**(a) Intangible assets model:**

Intangible assets arising out of service concession arrangements are accounted for as intangible assets where it has a contractual right to charge users of service when the projects are completed. Apart from above as per the service concession agreement the Group is obligated to pay the amount of premium to National Highways Authority of India (NHAI). This premium obligation has been treated as Intangible asset given it is paid towards getting the right to earn revenue by constructing and operating the roads during the concession period.

Hence, the total premium payable to the Grantor as per the Service Concession Agreement is also recognized as an 'Intangible Assets' and the corresponding obligation for committed premium is recognized as premium obligation.

**(b) Financial assets model**

The financial asset model applies when the operator has an unconditional right to receive cash or another financial asset from the grantor in remuneration for concession services. In the case of concession services, the operator has such an unconditional right if the grantor contractually guarantees the payment of amount specified or determined in the contract or the shortfall, if any, between amounts received from users of public service and amounts specified or determined in the Contract.

Any asset carried under concession arrangements is derecognized on disposal or when no future economic benefits are expected from its future use or disposal or when the contractual rights to the financial asset expire.

Notes annexed to and forming part of the Consolidated Financial Statements

**(g) Foreign currency translation**

**(i) Functional and presentation currency**

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The Consolidated Financial Statements are presented in Indian rupee (₹), which is Group's functional and presentation currency.

**(ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions, and from translation of monetary assets and liabilities at the reporting date exchange rates are recognised in the Consolidated Statement of Profit and Loss except in case of certain long term foreign currency monetary items where the treatment as under:

The Group has availed an option of continuing the policy adopted for exchange differences arising from translation of long term foreign currency monetary items outstanding as on March 31, 2016 in accordance with Para 46A of AS-11 "The Effects of changes in Foreign Exchange Rates" of Previous GAAP. Accordingly, foreign exchange gain/losses on long term foreign currency monetary items relating to the acquisition of depreciable assets are added to or deducted from the cost of such assets and in other cases, such gains or losses are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" to be amortised over the remaining life of the concerned monetary item.

Non monetary items which are carried at historical cost denominated in foreign currency are reported using the exchange rates at the dates of the transaction.

Foreign exchange gains and losses are presented in the Consolidated Statement of Profit and Loss on a net basis.

**(h) Government grants**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the Consolidated Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Consolidated Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented within other income.

**(i) Financial Instruments**

The Group recognises financial assets and liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised at fair values on initial recognition, except for trade receivables which are initially measured at transaction price.

**(A) Financial Assets:**

**a) Classification**

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in Consolidated Statement of Profit and Loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value or through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

### b) Initial Recognition and Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

#### Subsequent Measurement

##### Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in Consolidated Statement of Profit and Loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in Consolidated Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.
- **Fair value through profit or loss (FVTPL) :** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in Consolidated Statement of Profit and Loss and presented net in the Consolidated Statement of Profit and Loss. Interest income from these financial assets is included in other income.

##### Equity instruments

The Group subsequently measures all equity investments at fair value, where the Group's management has elected to present fair value gains and losses on equity investments in Consolidated Statement of Profit and Loss. Dividends from such investments are recognised in Consolidated Statement of Profit and Loss as Other Income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the Consolidated Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

### c) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note No.46 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables of the Group (except BRPL/BYPL) measures the expected credit loss associated with its trade receivables based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Trade receivables in respect of BRPL/BYPL, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

**d) Derecognition of financial assets**

A financial asset is derecognised only when:

- i) The right to receive cash flows from the financial assets have expired
- ii) The Group has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows in full without material delay to third party under a "pass through arrangement".
- iii) Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised.
- iv) Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

**(B) Financial Liabilities**

**Initial Recognition and Measurement**

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

**Subsequent measurement**

Financial liabilities at amortized cost: After initial measurement, such financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the Consolidated Statement of Profit and Loss.

**(a) Borrowings:**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Consolidated Statement of Profit and Loss over the period of the borrowings using the effective interest rate method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

**(b) Trade and Other Payables:**

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest rate method.

**(c) Financial Guarantee Obligations:**

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of subsidiaries, joint ventures or associates are provided for no compensation, the fair values as on the date of transition are accounted for as contributions and recognised as part of the cost of the equity investment.

**Derecognition**

A financial liability is derecognized 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 derecognition of the original liability and the recognition of a new liability.

The difference in the respective carrying amounts is recognized in the Consolidated Statement of Profit and Loss.

### (j) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Consolidated Financial Statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Consolidated Financial Statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's Management determines the policies and procedures for both recurring and non-recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Disclosures for valuation methods, significant estimates and assumptions of Financial instruments (including those carried at amortised cost) (Refer Note No.2) and Quantitative disclosures of fair value measurement hierarchy (Refer Note No.46).

### (k) (i) Derivatives

Derivatives (including forward contracts) are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The Group does not designate their derivatives as hedges and such contracts are accounted for at fair value through profit or loss and are included in Consolidated Statement of Profit and Loss.

In respect of derivative transactions, gains / losses are recognised in the Consolidated Statement of Profit and Loss on settlement. On a reporting date, open derivative contracts are revalued at fair values and resulting gains / losses are recognised in the Consolidated Statement of Profit and Loss.

### (ii) Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to

**Notes annexed to and forming part of the Consolidated Financial Statements**

a standalone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a nonfinancial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 "Financial Instruments" are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

The Group currently does not have any such derivatives which are not closely related.

**(l) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

**(m) Property, Plant and Equipment**

Property, Plant and Equipment assets are carried at cost net of tax / duty credit availed less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

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 and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to Consolidated Statement of Profit and Loss during the reporting period in which they are incurred.

Capital Work in Progress (CWIP) includes cost of property, plant and equipment under installation / under development, as at balance sheet date. All project related expenditure viz. civil works, machinery under erection, construction and erection materials, preoperative expenditure incidental / attributable to the construction of projects, borrowing cost incurred prior to the date of commercial operations and trial run expenditure are shown under CWIP. These expenses are net of recoveries and income (net of tax) from surplus funds arising out of project specific borrowings.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Property, Plant and Equipment are eliminated from the Consolidated Financial Statements, either on disposal or when retired from active use.

Gains and losses on disposals or retirement of assets are determined by comparing proceeds with carrying amount. These are recognized in the Consolidated Statement of Profit and Loss.

Transition to Ind AS:

The Group has elected to regard the fair values of all its property, plant and equipment as on April 01, 2015 as deemed cost in accordance with the stipulation of Ind AS 101 "First-time Adoption of Indian Accounting Standards". Refer Note No. 45.

**Depreciation methods, estimated useful lives and residual value**

**Power Business:**

Property, Plant and Equipment relating to license business (except delhi discoms) and other power business (including amount of fair valuation considered as deemed cost) are depreciated under the straight line method as per the rates and useful life prescribed as per the Electricity Regulations as referred in Part "B" of Schedule II to the Act.

The individual asset once depreciated to seventy percent of cost, the remaining depreciable value spreads over the balance useful life of the asset, as provided in the Electricity Regulations. The residual values of assets are not more than 10% of the cost of the assets.

In case of Delhi Discoms, Property, Plant and Equipment relating to license business and other power business (including amount of fair valuation considered as deemed cost) are depreciated under the straight line method as per the rates and useful life prescribed as per the Electricity Regulations as referred in Part "B" of Schedule II to the Act or as per the independent valuer's certificate whichever is lower. Depreciation on refurbished/revamped assets which are capitalized separately is provided for over the reassessed useful life. The useful life of the following assets are assessed by the independent valuer lesser than referred in Part "B" of Schedule II to the Act

Description of Assets	Useful Life of Asset (In Years)
Energy Meters	10
Communication Equipments	10

### **EPC and Contracts Business:**

Property, Plant and Equipment are depreciated under the reducing balance method as per the useful life and in the manner prescribed in Part "C" Schedule II to the Act.

### **Cement Business:**

Property, Plant and Equipment are depreciated on the straight-line method over the estimated useful lives of the assets except in respect of the freehold land used for mining activity which is depreciated based on unit of production method.

### **Other Activities:**

Property, Plant and Equipment of other activities have been depreciated under the straight line method as per the useful life and in the manner prescribed in Part "C" Schedule II to the Act.

## **(n) Investment Property**

Investment property comprise portion of office building that are held for long term yield and / or capital appreciation. Investment property is initially recognised at cost. Subsequently investment property comprising of building is carried at cost less accumulated depreciation and accumulated impairment losses.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in Consolidated Statement of Profit and Loss as incurred.

Depreciation on Investment Property is depreciated under the straight line method as per the rates and the useful life prescribed in part "C" of Schedule II to the Act.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on periodical basis performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no economic benefit is expected from its disposal.

The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the Consolidated Statement of Profit and Loss.

## **(o) Intangible assets**

Intangible assets are stated at cost of acquisition net of tax/duty credits availed, if any, less accumulated amortisation / depletion. Cost includes expenditure directly attributable to the acquisition of asset.

Amortisation Method:

- (i) Softwares pertaining to the power business are amortized as per the rate and in the manner prescribed in the Electricity Regulations. Other softwares are amortised over a period of 3 years.
- (ii) Toll Collection Rights received up to March 31, 2016 are amortised over the concession period on the basis of projected toll revenue which reflects the pattern in which the assets' economic benefits are consumed. Toll Collection Rights received after March 31, 2016 are amortised over the concession period on pro-rata basis on straightline method.
- (iii) In case of Airports, amounts in the nature of upfront fee and other costs paid to various regulatory authorities, are amortised on a straight line method over the period of the license.
- (iv) Metro Rail Concessionaire Rights are amortised over straightline basis over the operation of concession period.
- (v) The container trains license fee is amortised over 20 years being the life of the license.



Notes annexed to and forming part of the Consolidated Financial Statements

- (vi) Mining rights and development are amortised based on unit of production method.

**Goodwill on Consolidation**

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments.

Transition to Ind AS:

On transition to Ind AS, the Group has elected to continue with the carrying value of all of intangible assets (except intangible assets recognized under Service Concession Arrangements) recognised as at April 01, 2015 measured as per the Previous GAAP and use that carrying value as the deemed cost of intangible assets in accordance with the stipulation of Ind AS 101 "First-time Adoption of Indian Accounting Standards".

**(p) Inventories**

Inventories are stated at lower of cost and net realisable value. In case of fuel, stores and spares "cost" means weighted average cost. Unserviceable / damaged stores and spares are identified and written down based on technical evaluation.

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

**(q) Allocation of Expenses**

- (i) Power Business:

The allocation to capital and revenue is done consistently on the basis of a technical evaluation.

- (ii) EPC and Contracts Business:

Common overheads are absorbed by various jobs in proportion to the prime cost of each job.

**(r) Employee benefits**

**(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as Short term employee benefit obligations in the balance sheet.

**(ii) Post-employment obligations**

The Group operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity, and
- (b) defined contribution plans such as provident fund, superannuation fund etc.

**Define Benefit Plans:**

**(a) Gratuity obligations**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Consolidated Statement of Profit and Loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance

sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in Consolidated Statement of Profit and Loss as past service cost. The Group contributes to policies taken from the approved insurance companies through trust set up for this purpose.

### **(b) Provident Fund**

The benefit involving employee established provident funds, which require interest shortfall to be recompensated are to be considered as defined benefit plans. As per the Audited Accounts of Provident Fund Trust maintained by the Group, the shortfall arising in meeting the stipulated interest liability, if any, gets duly provided for.

### **Defined Contribution Plans**

The Group pays provident fund contributions to publicly administered provident funds as per local regulations. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available. Superannuation plan, a defined contribution scheme is administered by IRDA approved Insurance Companies. The Group makes annual contributions based on a specified percentage of each eligible employee's salary.

### **(iii) Other long-term employee benefit obligations**

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Consolidated Statement of Profit and Loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

In case of employees of erstwhile Delhi Vidyut Board (DVB) (presently employees of BRPL and BYPL) in accordance with the stipulation made by the Government of National Capital Territory of Delhi (GoNCTD), in its notification dated January 16, 2001 the contributions on account of the general provident fund, pension, gratuity and earned leave as per the Financial Rules and Service Rules applicable in respect of the employees of the erstwhile DVB, is accounted for on due basis and are paid to the Delhi Vidyut Board – Employees Terminal Benefit Fund 2002 (DVB ETBF 2002). Further the retirement benefits are guaranteed by GoNCTD. All such payments made to the DVB ETBF 2002 are charged off to the Consolidated Statement of Profit and Loss.

### **(s) Treasury Share**

The Parent Company has created a Reliance Infrastructure ESOS Trust (ESOS Trust) for providing share-based payment to its employees. The parent Company uses ESOS Trust as a vehicle for distributing shares to employees under the employee remuneration schemes. The ESOS Trust buys shares of the Parent company from the market, for giving shares to employees. The Parent Company treats ESOS Trust as its extension and shares held by ESOS Trust are treated as treasury shares.

Reliance Infrastructure ESOS Trust has in substance acted as an agent and the Parent Company as a sponsor retains the majority of the risks rewards relating to funding arrangement. Accordingly, the Parent Company has recognised issue of shares to the Trust as the issue of treasury shares and deducted from equity by consolidating Trust into financial statements of the Parent Company.

### **(t) Borrowing Cost**

Borrowing cost includes interest, amortisation of ancillary cost incurred in connection with the arrangement of borrowings and the exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

**Notes annexed to and forming part of the Consolidated Financial Statements**

**(u) Income Tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the country where the Parent Company and its subsidiaries generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Income tax expense for the year comprises of current tax and deferred tax. Income tax is recognised in the Consolidated Statement of Profit and Loss except to the extent that it relates to items recognised in 'Other comprehensive income' or directly in equity, in which case the tax is recognised in 'Other comprehensive income' or directly in equity, respectively.

**(v) Provisions**

Provisions for legal claims and returns are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as finance cost.

**(w) Contingent Liabilities and Contingent Assets**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is probable that an outflow of resources will not be required to settle the obligation. However, if the possibility of outflow of resources, arising out of present obligation, is remote, it is not even disclosed as contingent liability.

A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the notes to Consolidated Financial Statements. A Contingent asset is not recognized in Consolidated Financial Statements, however, the same is disclosed where an inflow of economic benefit is probable.

**(x) Impairment of non-financial assets**

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that a non-financial asset may be impaired. Indefinite-life intangibles are subject to a review for impairment annually or more frequently if events or circumstances indicate that it is necessary. For the purpose of assessing impairment, the smallest identifiable Group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or Groups of assets is considered as a cash generating unit. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from

the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognising the impairment loss as an expense in the Consolidated Statement of Profit and Loss.

The impairment loss is allocated first to reduce the carrying amount of any goodwill (if any) allocated to the cash generating unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Recoverable amount is higher of an asset's or cash generating unit's fair value less cost of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. An impairment loss recognised for goodwill is not reversed in subsequent periods.

### **(y) Cash and Cash Equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits with banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### **(z) Cash flow Statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

### **(aa) Oil and Gas Activity**

Oil and natural gas exploration and evaluation expenditures are accounted for using the 'successful efforts' method of accounting. Costs are accumulated on a field-by-field basis. Geological and geophysical costs are expensed as incurred. Costs directly associated with an exploration well, and exploration and property leasehold acquisition costs, are capitalised until the determination of reserves is evaluated. If it is determined that commercial discovery has not been achieved, these costs are charged to expense.

### **(bb) Contributed Equity**

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### **(cc) Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

### **(dd) Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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.

Both Basic earnings per share and Diluted earnings per share have been calculated with and without considering Income from Rate Regulated Activities in the Net Profit attributable to Equity Shareholders.

### **(ee) Leases**

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially rests with the lessor are recognised as operating lease. Lease rentals under operating lease are recognised in the Consolidated Statement of Profit and Loss on a straight line basis.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to April 01, 2015, the Group has determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition.

Notes annexed to and forming part of the Consolidated Financial Statements

**As a lessee:**

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Consolidated Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to Consolidated Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

**As a lessor:**

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

**(ff) Non-current assets (or disposal groups) held for sale and discontinued operations**

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the Consolidated Statement of Profit and Loss.

**(gg) Maintenance obligations**

Contractual obligations to maintain, replace or restore the infrastructure (principally resurfacing costs and major repairs and unscheduled maintenance which are required to maintain the Infrastructure asset in operational condition except for any enhancement element) are recognized and measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date for which next resurfacing would be required as per the concession arrangement. The provision is discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

**(hh) Self insurance**

In case of PKTCL, Self Insurance reserve is created @ 0.1% p.a. on Gross Block of Property, Plant and Equipment (except assets covered under any other insurance policy) as at the end of the year by appropriating current year profit

towards future losses which may arise from un-insured risks. The same is shown as "Self Insurance Reserve" under 'Reserves and Surplus'.

### (ii) Rounding off of amounts

All amounts disclosed in the Consolidated Financial Statements and notes have been rounded off to the nearest Crore with two decimals as per the requirement of Schedule III, unless otherwise stated.

## 2. Critical estimates and judgements

The followings are the items where Critical estimates and judgements are involved:

### • Estimation of deferred tax assets recoverable

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 same 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.

The Group has ₹ 206.69 Crore (March 31, 2016: ₹ 146.67 Crore, April 01, 2015: ₹ 77.21 Crore) of MAT credit entitlement assets. According to management's estimate, these balances will expire and may not be used to offset taxable income. The Company neither has any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these MAT credit entitlement as deferred tax assets. On this basis, the Company has determined that it cannot recognise deferred tax assets on these balances.

Similarly, the Group has unused capital gain tax losses of ₹ 799.35 Crore (March 31, 2016 - ₹ 578.39 Crore, April 01, 2015 - ₹ 578.39 Crore), which according to the management will expire and may not be used to offset taxable gain, if any, incurred by the Group. Refer Note No. 13 for amounts of such temporary differences on which deferred tax assets are not recognised.

### • Estimated fair value of unlisted securities

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

Refer Note No.46 on fair value measurements where the assumptions and methods to perform the same are stated.

### • Estimation of defined benefit obligation

The cost of the defined benefit gratuity plan and other post-employment employee benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available Indian Assured Lives Mortality (2006-08) Ultimate. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation.

Refer Note No.39 for key actuarial assumptions.

### • Impairment of trade receivables, loans and other financial assets

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Refer Note No. 46 on financial risk management where credit risk and related impairment disclosures are made.

### • Revenue recognition

The Group uses the 'percentage-of-completion method' to determine the appropriate amount to recognise in a given period. The stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion.

**Notes annexed to and forming part of the Consolidated Financial Statements**

- **Regulatory deferral assets and liabilities**

**Parent Company:**

From April 01, 2012 till March 31, 2016 (2nd Multi Year Tariff (MYT) control period) and from April 01, 2016 till March 31, 2020 (3rd Multi Year Tariff (MYT) control period), determination of Retail Supply Tariff (RST) / Transmission charges chargeable by the Company to its consumers is governed by MERC (MYT) Regulations 2011 and MERC (MYT Regulations) 2015, whereby MERC is required to determine the RST and Transmission charges in a manner that the Company recovers its power purchase costs as well as other prudently incurred expenses and earns assured return of 15.5% p.a. on MERC approved equity in Distribution Wires Business and Transmission Business and 17.5% p.a. on MERC approved equity in Retail Supply Business, subject to achievement of Plant Load Factor of 85% , transmission availability of 98% and Aggregate Technical and Commercial (AT&C) loss reduction targets respectively. The rate review or "truing up" process during the MYT period is being conducted as per the principles stated in MYT Regulations 2011 and 2015.

During the truing up process, revenue gaps (i.e. surplus/shortfall in actual returns over returns entitled) are determined by the regulator and are permitted to be carried forward as regulatory assets/ regulatory liabilities, which would be recovered / refunded through future billing based on future tariff determination by the regulator. At the end of each accounting period, Company also determines regulatory assets/regulatory liabilities in respect of each accounting period on self true up basis on principles specified in accounting policy Note No.1 (e)(i) wherever regulator is yet to take up formal truing up process.

**Delhi Discoms (BRPL/BYPL):**

From April 01, 2012 till March 31, 2015 (MYT period), determination of Retail Supply Tariff (RST) chargeable by the Delhi Discoms to its consumers is governed by DERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations 2011 (MYT Regulations, 2011), whereby DERC shall determine the RST in a manner that the Company recovers its power purchase costs as well as other prudently incurred expenses and earns assured return of 16% p.a. on DERC approved equity subject to achievement of Aggregate Technical and Commercial (AT&C) loss reduction targets. The truing up process during the MYT period is being conducted as per the principle stated in Section 4.21 of the MYT Regulations, 2011. The earlier MYT Regulations dated May 30, 2007 were applicable for the extended period upto March 31, 2012.

During the truing up process, revenue gaps (i.e. shortfall in actual returns over assured returns) are determined by the regulator and are permitted to be carried forward as regulatory assets/ regulatory liabilities which would be recovered /refunded through future billing based on future tariff determination by the regulator. At the end of each accounting period, Delhi Discoms determines revenue gap based on the principles laid down under the MYT Regulations and Tariff Orders issued by DERC (except for the current Tariff Order referred in Note No. 9). In respect of such revenue gaps, appropriate adjustments, have been made for the respective years in term of the Guidance Note on Rate Regulated Activities issued by ICAI on a conservative basis.

Refer Note No.9 for tariff orders received during the reporting periods that allowed the Companies to recover regulatory gap determined by the regulator.

- **Consolidation decisions and classification of joint arrangements**

The management has concluded that the Group controls certain entities where it holds less than half of the voting rights of its subsidiaries as per the guidance of Ind AS 110. This is because the Group directs the relevant activities (procurement, production and marketing) and has the ability to use the powers to unilaterally control the returns it derives from these entities.

Refer Note No.43 for disclosure of ownership interests in subsidiaries controlled by the Group.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

- **Useful life of Property, Plant and Equipment**

The estimated useful life of Property, Plant and Equipment is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

The Group reviews, periodically, the useful life of Property, Plant and Equipment and changes, if any, are adjusted prospectively.



# Reliance Infrastructure Limited

## Notes annexed to and forming part of the Consolidated Financial Statements

### • Provision for Resurfacing and Future Cost of Replacement / Overhaul obligation (major maintenance expenditures)

#### Resurfacing obligation (major maintenance expenditure) (for Toll Roads )

The Group records the resurfacing obligation for its present obligation as per the concession arrangement to maintain the toll roads at every five years during the concession period. The provision is included in the financial statements at the present value of the expected future payments. The calculations to discount these amounts to their present value are based on the estimated timing of expenditure occurring on the roads.

The discount rate used to value the resurfacing provision at its present value is determined through reference to the nature of provision and risk associated with the expenditure.

#### Future cost of replacement / overhaul of assets (for Metros):

The Group is required to operate and maintain the project assets in a serviceable condition which requires periodical replacement and overhaul of certain component of project assets. The Company has accordingly recognized a provision in respect of this obligation. The measurement of this provision consider the future cost of replacement / overhaul of assets and the timing of replacement/ overhaul. These amount are being discounted to present value since time value of money is material.

### 3. a) Property, Plant and Equipment- Continuing Operation

												(₹ Crore)	
Particulars	Freehold Land	Leasehold Land	Buildings	Plant and Machinery	Distribution Systems	Railway Siding	Furniture and Fixtures	Vehicles	Office Equipment	Computers	Electrical Installations	Total	Capital work in progress
Net Carrying amount as on April 01, 2015	2,684.02	54.28	2,029.14	11,846.05	7,650.25	8.20	47.86	23.33	61.91	51.31	20.89	24,477.24	2,027.04
Year ended March 31, 2016													
Gross carrying amount													
Deemed cost as at April 1, 2015	2,684.02	54.28	2,029.14	11,846.05	7,650.25	8.20	47.86	23.33	61.91	51.31	20.89	24,477.24	
Additions	3.12	1.55	32.14	649.19	554.62	-	3.96	8.81	18.79	17.64	2.45	1,292.27	
Disposals	0.51	-	1.79	52.96	1.89	-	0.06	1.55	0.28	0.13	0.30	59.47	
Gross carrying amount as on March 31, 2016	2,686.63	55.83	2,059.49	12,442.28	8,202.98	8.20	51.76	30.59	80.42	68.82	23.04	25,710.04	1,191.26
Accumulated depreciation and impairment													
Depreciation charge during the year	-	1.99	99.75	849.03	371.29	0.88	3.87	4.21	6.60	16.50	2.43	1,356.55	
Impairment loss	-	-	-	31.04	-	-	-	-	-	-	-	31.04	
Disposals	-	-	0.04	4.42	0.21	-	-	0.36	0.04	0.04	0.03	5.14	
Accumulated depreciation and impairment as on March 31, 2016	-	1.99	99.71	875.65	371.08	0.88	3.87	3.85	6.56	16.46	2.40	1,382.45	
Net carrying amount as on March 31, 2016	2,686.63	53.84	1,959.78	11,566.63	7,831.90	7.32	47.89	26.74	73.86	52.36	20.64	24,327.59	
Year ended March 31, 2017													
Gross carrying amount													
Opening gross carrying amount	2,686.63	55.83	2,059.49	12,442.28	8,202.98	8.20	51.76	30.59	80.42	68.82	23.04	25,710.04	
Additions	-	2.48	38.45	506.23	520.59	-	1.76	13.25	9.72	21.77	0.94	1,115.19	
Disposals	-	-	-	51.15	0.54	-	0.05	1.79	0.43	0.16	0.05	54.17	
Gross carrying amount as on March 31, 2017	2,686.63	58.31	2,097.94	12,897.36	8,723.03	8.20	53.47	42.05	89.71	90.43	23.93	26,771.06	1,304.81
Accumulated depreciation and impairment													
Opening accumulated depreciation and impairment	-	1.99	99.71	875.65	371.08	0.88	3.87	3.85	6.56	16.46	2.40	1,382.45	
Depreciation charge during the year	-	1.98	92.83	831.10	391.57	0.88	4.26	4.38	6.97	17.56	2.23	1,353.76	
Impairment loss	-	-	-	-	-	-	-	-	-	-	-	-	
Disposals	-	-	-	2.33	0.04	-	0.01	0.41	0.04	0.03	0.02	2.88	
Accumulated depreciation and impairment as on March 31, 2017	-	3.97	192.54	1,704.42	762.61	1.76	8.12	7.82	13.49	33.99	4.61	2,733.33	
Net carrying amount as on March 31, 2017	2,686.63	54.34	1,905.40	11,192.94	7,960.42	6.44	45.35	34.23	76.22	56.44	19.32	24,037.73	1,304.81

**Notes annexed to and forming part of the Consolidated Financial Statements**
**B) Property, Plant and Equipment- Discontinued Operation**
**₹ Crore**

Particulars	Freehold Land	Fee Land -Mines	Leasehold Land	Buildings	Plant and Equipment	Railway Siding	Furniture and Fixtures	Vehicles	Office Equipment	Computers	Electrical Installations	Total	Capital work in progress
Net Carrying amount as on April 01, 2015	150.07	61.28	25.79	399.66	1,780.16	58.92	2.43	2.84	1.69	18.56	266.94	2,768.35	276.53
<b>Year ended March 31, 2016</b>													
<b>Gross carrying amount</b>													
Deemed cost as at April 1, 2015	150.07	61.28	25.79	399.66	1,780.16	58.92	2.43	2.84	1.69	18.56	266.94	2,768.34	
Additions	0.68	30.34	17.82	18.91	96.95	1.89	0.28	0.09	0.05	0.99	4.78	172.78	43.46
Disposals	-	-	-	-	-	-	0.01	0.35	-	0.01	0.02	0.39	
<b>Gross carrying amount as on March 31, 2016</b>	<b>150.75</b>	<b>91.62</b>	<b>43.61</b>	<b>418.57</b>	<b>1,877.11</b>	<b>60.81</b>	<b>2.70</b>	<b>2.58</b>	<b>1.74</b>	<b>19.54</b>	<b>271.70</b>	<b>2,940.73</b>	<b>319.99</b>
<b>Accumulated depreciation and impairment</b>													
Depreciation charge during the year	-	3.42	1.92	13.32	108.06	2.63	0.09	0.48	-	3.42	26.54	159.88	
Impairment loss													
Disposals	-	-	-	-	-	-	0.01	0.17	-	0.01	0.02	0.21	
<b>Accumulated depreciation and impairment as on March 31, 2016</b>	<b>-</b>	<b>3.42</b>	<b>1.92</b>	<b>13.32</b>	<b>108.06</b>	<b>2.63</b>	<b>0.08</b>	<b>0.31</b>	<b>-</b>	<b>3.41</b>	<b>26.52</b>	<b>159.67</b>	
<b>Net carrying amount as on March 31, 2016</b>	<b>150.75</b>	<b>88.20</b>	<b>41.69</b>	<b>405.25</b>	<b>1,769.05</b>	<b>58.18</b>	<b>2.62</b>	<b>2.27</b>	<b>1.74</b>	<b>16.13</b>	<b>245.18</b>	<b>2,781.06</b>	<b>319.99</b>

**Note (for Continuing Operations):**

- Capital Work in Progress includes ₹ 10.15 Crore (March 31, 2016 ₹ 9.88 Crore) being borrowing cost capitalized.
- Additions to Building and Plant & Machinery includes borrowing cost of ₹ Nil, (March 31, 2016 ₹ 0.37 Crore), ₹ 18.45 Crore (March 31, 2016 ₹ 37.81 Crore) respectively. Borrowing cost is capitalized @13.50%.
- Persuant to certain events of default by Delhi Metro Rail Corporation (DMRC), Delhi Airport Metro Express Private Limited (DAMEPL), "the company" has terminated the concession agreement with effect from July 1, 2013 and entire asset (including project assets) have been handed over to DMRC and the Company ceases to provide depreciation / amortisation. However, due to pending the settlement of cases through arbitration, acceptance of termination by DMRC and based on legal opinion, the asset including project assets, have been continued to be shown in the books of accounts of the company.
- Leased Assets**  
Terms of leasehold land taken  
- Period of lease : 25 years  
- Renewal option : No renewal option given in the Power Purchase agreement

Terms of power purchase agreement with Vidarbha Industries Power Limited (VIPL) assessed as finance lease has resulted in the certain asset classes being disclosed as assets of the Group. The details are as follows:

**₹ Crore**

Particulars	As at April 01, 2015	As at March 31, 2016		As at March 31, 2017	
	Net carrying amount	Depreciation 2015-16	Net carrying amount	Depreciation 2016-17	Net carrying amount
Leasehold land	27.10	1.16	25.94	1.16	24.78
Buildings	440.65	18.85	421.80	18.85	402.95
Plant and machinery	3,532.71	204.03	3,328.68	204.03	3,124.65
Furniture and fixtures	1.36	0.10	1.26	0.10	1.16
Motor vehicles	1.37	0.15	1.22	0.15	1.07
Office equipments	0.97	0.07	0.90	0.07	0.83
Computers	1.27	0.25	1.02	0.25	0.77
<b>Total</b>	<b>4,005.43</b>	<b>224.61</b>	<b>3,780.82</b>	<b>224.61</b>	<b>3,556.21</b>

The Group has an exclusive right to obtain the entire contracted capacity of a specified facility at all times and in turn the power so purchased is used as a distribution licensee. The price at which purchase is made is regulated at a price which is neither contractually fixed nor reflects the current market price.

# Reliance Infrastructure Limited

## Notes annexed to and forming part of the Consolidated Financial Statements

### e. Lease Hold Land

The lease period for lease hold land varies from 35 Years to 99 years. The Company considers lease hold land as financial lease as the Company has an ongoing and unhindered right to use as a distribution license holder, i.e. a legal right of having precedence over others in line with Electricity Act, 2003 and relevant rules. The Regulator has to make available a replacement parcel of land in case of non-renewal of lease. In the eighty eight years history of the Company there have been extremely rare instances of alternation of such right to use of land due to perennial nature of business and consumer demand for electricity

The Plant and Building of BKPL are erected in 20 acre of land taken on lease from Lessor (TCCL) by virtue of an agreement dated November 06, 2014.

### f. Property, Plant and Equipment pledged as security

Description	₹ Crore		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>First charge and subservient charge:</b>			
Freehold Land	1,058.96	1,058.95	1,055.82
Buildings	956.61	995.55	1,015.31
Property, Plant and Equipment	10,985.72	11,271.88	11,157.31
Distribution Systems	3,615.34	3,825.27	3,661.83
Railway Siding	6.44	7.32	8.20
Furniture and Fixtures	30.92	36.07	30.09
Vehicles	14.49	8.14	7.63
Office Equipment	70.24	68.89	55.93
Computers	32.98	36.23	41.65
Electrical Installations	8.98	10.57	8.42
Capital work in progress	351.91	254.94	385.08
<b>Total</b>	<b>17,132.59</b>	<b>17,573.81</b>	<b>17,427.27</b>

Further, subservient charge have been created on balance movable Property, Plant and Equipment.

Refer Note No.11(a) for information on Property, Plant and Equipment pledged as security by the Group.

### g. Impairment loss

The impairment loss relates to Property, Plant and Equipment located at Goa Power Station of Parent Company has been impaired to the extent of ₹ 31.04 Crore. Accordingly, provision for impairment has been made and adjusted in the Consolidated Statement of Profit and Loss.

### h. Capital work-in-progress

₹ Crore					
Particulars	Year	Opening	Addition	Capitalisation	Closing
CWIP Movement	2016-17	1,191.26	1,061.22	947.67	1,304.81
CWIP Movement (Inclusive of Financial Assets & Investment Property)	2015-16	2,027.04	857.63	1,693.41	1,191.26

### 4. Investment Property

₹ Crore		
Particulars	As at March 31, 2017	As at March 31, 2016
<b>Gross carrying amount</b>		
Opening Gross Carrying value/Deemed cost	594.51	-
Additions	0.09	594.51
<b>Closing gross carrying value</b>	<b>594.60</b>	<b>594.51</b>
<b>Accumulated depreciation:</b>		
Opening accumulated depreciation	5.09	-
Depreciation during the year	31.09	5.09
<b>Closing accumulated depreciation</b>	<b>36.18</b>	<b>5.09</b>
<b>Net carrying value</b>	<b>558.42</b>	<b>589.42</b>

**Notes annexed to and forming part of the Consolidated Financial Statements**
**(i) Amounts recognised in Consolidated Statement of Profit and Loss for investment property**

Particulars	₹ Crore	
	Year ended March 31, 2017	Year ended March 31, 2016
Rental income	68.35	9.35
Direct operating expense from property that generated rental income	33.14	2.87
Direct operating expense from property that did not generate rental income	-	-
<b>Profit from investment properties before depreciation</b>	<b>35.21</b>	<b>6.48</b>
Depreciation	31.09	5.09
<b>Profit from investment properties</b>	<b>4.12</b>	<b>1.39</b>

**(ii) Contractual obligations**

The Group has no contractual obligations to purchase, construct or develop investment property. However, the responsibility for its repairs, maintenance or enhancements is with the Group.

**(iii) Fair value**

Since the investment property is a recently constructed asset; the carrying amount is considered a reasonable approximation of fair value.

Particulars	₹ Crore		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Investment Properties	558.42	589.42	-

**(iv) Pledged details:**

₹ 558.42 Crore (March 31, 2016 – ₹ 589.42 Crore) pledged with Lenders of the Parent Company (Refer Note No.11(a))

**(v) Estimation of fair value**

The Group obtains independent valuations for its investment property periodically. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the group consider information from a variety of sources including:

- current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences;
- discounted cash flow projections based on reliable estimates of future cash flows; and
- capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

The fair values of investment property have been determined by reputed third party, independent valuers. The main inputs used are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data. All resulting fair value estimates for investment property are included in level 3.

# Reliance Infrastructure Limited

## Notes annexed to and forming part of the Consolidated Financial Statements

### 5. a) Intangible assets – Continuing Operation

₹ Crore

Particulars	Computer Software	Other Intangible Asset	Airport Concessionaire Rights	Metro Concessional Intangible Assets	Toll Concessional Intangible Assets	Total	Goodwill on Consolidation
<b>Net carrying amount as at Apr 01, 2015</b>	<b>35.50</b>	<b>1,454.26</b>	<b>60.61</b>	<b>3,224.60</b>	<b>2,716.90</b>	<b>7,491.87</b>	<b>33.42</b>
<b>Year ended March 31, 2016</b>							
<b>Gross carrying amount</b>							
Deemed cost as at April 01, 2015	35.50	1,454.26	60.61	3,224.60	2,716.90	7,491.87	33.42
Additions*	2.33	-	-	-	1,581.77	1,584.10	
Effect of foreign currency exchange difference	-	-	-	28.11	14.91	43.02	
Disposals	0.32	-	-	0.06	-	0.38	
<b>Gross carrying amount as at March 31, 2016</b>	<b>37.51</b>	<b>1,454.26</b>	<b>60.61</b>	<b>3,252.65</b>	<b>4,313.58</b>	<b>9,118.61</b>	<b>33.42</b>
<b>Accumulated amortisation and impairment</b>							
Amortisation charge for the year	6.40	-	0.69	111.45	63.71	182.25	
Impairment charge	-	410.78	-	-	-	410.78	
Disposals	0.04	-	-	-	0.03	0.07	
<b>Accumulated amortisation and impairment as at March 31, 2016</b>	<b>6.36</b>	<b>410.78</b>	<b>0.69</b>	<b>111.45</b>	<b>63.68</b>	<b>592.96</b>	<b>-</b>
<b>Net carrying amount as at March 31, 2016</b>	<b>31.15</b>	<b>1,043.48</b>	<b>59.92</b>	<b>3,141.20</b>	<b>4,249.90</b>	<b>8,525.65</b>	<b>33.42</b>
<b>Year ended March 31, 2017</b>							
<b>Gross carrying amount</b>							
Gross carrying amount as at April 01, 2016	37.51	1,454.26	60.61	3,252.65	4,313.58	9,118.61	33.42
Additions*	4.60	-	-	2.11	3,776.73	3,783.44	
Effect of foreign currency exchange difference	-	-	-	(9.13)	(10.91)	(20.04)	
Disposals	-	-	-	-	16.27	16.27	
<b>Gross carrying amount as at March 31, 2017</b>	<b>42.11</b>	<b>1,454.26</b>	<b>60.61</b>	<b>3,245.63</b>	<b>8,063.13</b>	<b>12,865.74</b>	<b>33.42</b>
<b>Accumulated amortisation and impairment</b>							
Accumulated amortisation and impairment as at April 01, 2016	6.36	410.78	0.69	111.45	63.68	592.96	
Amortisation charge for the year	7.68	-	0.69	111.18	183.93	303.48	
Impairment charge – Reversal	-	-	-	-	-	-	31.67
Disposals	-	-	-	-	-	-	-
<b>Accumulated amortisation and impairment as at March 31, 2017</b>	<b>14.04</b>	<b>410.78</b>	<b>1.38</b>	<b>222.63</b>	<b>247.61</b>	<b>896.44</b>	<b>31.67</b>
<b>Net carrying amount as at March 31, 2017</b>	<b>28.07</b>	<b>1,043.48</b>	<b>59.23</b>	<b>3,023.00</b>	<b>7,815.52</b>	<b>11,969.30</b>	<b>1.75</b>

\*Additions to Concessional Intangible Assets includes borrowing cost capitalized of ₹ 183.02 Crore (March 31, 2016 ₹ 141.62 Crore).

Overall Movement of Intangible assets under development

₹ Crore

Financial Year	Opening	Additions*	Capitalisation	Closing
<b>2016-17</b>	<b>3,779.97</b>	<b>1,042.88</b>	<b>3,767.69</b>	<b>1,055.16</b>
2015-16	3,466.03	1,492.25	1,178.31	3,779.97

\*Borrowing cost incurred during the year of ₹ 29.03 Crore (March 31, 2016 ₹ 98.03 Crore).

#### Note:

- (1) The above Intangible Assets are other than internally generated.
- (2) Remaining amortisation period of computer software is between 1 to 2 years.
- (3) Computer Software, Other Intangible Assets and Airport Concessionaire Rights are at deemed cost.
- (4) Concessional Intangible Assets are accounted in accordance with Appendix A of Ind AS 11 "Service Concession Arrangement".

Concession Intangible Assets relate to Service Concession Arrangements as explained in Note No.7(d). Borrowing cost is capitalized @13.50%.

Notes annexed to and forming part of the Consolidated Financial Statements

Details of Intangible asset pledged are as under:

Particulars	₹ Crore		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
First charge & subservient charge			
Intangible asset	4.09	5.41	6.82
Intangible asset (Concessional Right)	10,838.52	7,391.10	5,941.50
Intangible Asset Under Development	1,055.16	3,779.97	3,466.03
<b>Total Intangible Asset pledged as security</b>	<b>11,897.77</b>	<b>11,176.48</b>	<b>9,414.35</b>

b) Intangible assets – Discontinued Operation

Particulars	₹ Crore			
	Computer Software	Mining Rights	Toll Concessional Intangible Assets	Total
<b>Net Carrying amount as at April 01, 2015</b>	<b>0.75</b>	<b>7.16</b>	<b>3,668.25</b>	<b>3,676.16</b>
<b>Year ended March 31, 2016</b>				
<b>Gross carrying amount</b>				
Deemed cost as at April 01, 2015	0.75	7.16	3,668.25	3,676.16
Additions	1.56	–	52.39	53.95
Disposals			7.53	7.53
<b>Gross carrying amount as at March 31, 2016</b>	<b>2.31</b>	<b>7.16</b>	<b>3,713.11</b>	<b>3,722.58</b>
Accumulated amortisation and impairment				
Amortisation charge for the year	0.67	0.37	82.04	83.08
<b>Accumulated amortisation and impairment as on March 31, 2016</b>	<b>0.67</b>	<b>0.37</b>	<b>82.04</b>	<b>83.08</b>
<b>Net carrying amount as at March 31, 2016</b>	<b>1.64</b>	<b>6.79</b>	<b>3,631.07</b>	<b>3,639.50</b>
<b>Year ended 31 March 2017</b>				
Gross carrying amount as at April 01, 2016				
Gross carrying amount	2.31	7.16	3,713.11	3,722.58
Additions	–	–	–	–
Effect of foreign currency exchange difference	–	–	–	–
Disposals	2.31	7.16	1.56	11.03
<b>Gross carrying amount as on March 31, 2017</b>	<b>–</b>	<b>–</b>	<b>3,711.55</b>	<b>3,711.55</b>
<b>Accumulated amortisation and impairment</b>				
Opening accumulated amortisation and impairment	0.67	0.37	82.04	83.08
Amortisation charge for the year	–	–	91.42	91.42
Disposals	0.67	0.37	–	1.04
<b>Accumulated depreciation and impairment as on March 31, 2017</b>	<b>–</b>	<b>–</b>	<b>173.46</b>	<b>173.46</b>
<b>Net carrying amount at at March 31, 2017</b>	<b>–</b>	<b>–</b>	<b>3,538.09</b>	<b>3,538.09</b>

Overall Movement of Intangible assets under development – Discontinued Operation

Financial Year	₹ Crore			
	Opening	Additions	Capitalisation	Closing
<b>2016-17</b>	<b>1.21</b>	<b>0.30</b>	<b>0.60</b>	<b>0.91</b>
2015-16	55.29	0.55	54.63	1.21

# Reliance Infrastructure Limited

## Notes annexed to and forming part of the Consolidated Financial Statements

### 6. Inventories

₹ Crore

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Coal and Fuel*	224.87	383.74	355.06
Stores and Spares *	187.06	170.06	165.03
<b>Total</b>	<b>411.93</b>	<b>553.80</b>	<b>520.09</b>
* including in transit and with third party	5.35	23.87	73.33

Inventories are stated at lower of Cost and Net realisable value.

These Inventories are pledged as security with the lenders (Refer Note No. 11(a) and 11 (b))

### 7. Financial assets

#### 7(a) Non-current investments

Particulars	Face value in ₹ unless otherwise stated	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
		Number of Shares/Units	Amount ₹ Crore	Number of Shares/Units	Amount ₹ Crore	Number of Shares/Units	Amount ₹ Crore
<b>Investment in equity instruments (fully paid-up unless otherwise stated):</b>							
<b>In associate companies - valued as per equity method</b>							
<b>Quoted</b>							
Reliance Power Limited *#	10	1211998193	9,239.35	1211998193	8,762.39	1183998193	8,573.21
Reliance Defence and Engineering Limited#	10	226453025	1,318.34	220103025	1,451.21	-	-
<b>Unquoted</b>							
Metro One Operation Private Limited	10	3000	0.81	3000	0.75	3000	0.43
Reliance Geo Thermal Power Private Limited @ ₹ 25,000	10	2500	@	2500	@	2500	@
RPL Sun Technique Private Limited \$	10	5000	0.01	-	-	-	-
RPL Photon Private Limited \$	10	5000	0.01	-	-	-	-
RPL Sun Power Private Limited \$	10	5000	0.01	-	-	-	-
			10,558.53		10,214.35		8,573.64
<b>In joint venture companies - valued as per equity method</b>							
<b>Unquoted</b>							
Utility Powertech Limited	10	792000	16.77	2000000	14.23	2000000	13.55
<b>In Others - At FVTPL</b>			16.77		14.23		13.55
<b>Quoted</b>							
TCPL Packaging Limited	10	-	-	540162	24.43	779000	33.25
Suryachakra Power Corporation Limited	10	-	-	1027000	1.03	1027000	1.03
			-		25.46		34.28



**Notes annexed to and forming part of the Consolidated Financial Statements**

Particulars	Face value in ₹ unless otherwise stated	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
		Number of Shares/Units	Amount ₹ Crore	Number of Shares/Units	Amount ₹ Crore	Number of Shares/Units	Amount ₹ Crore
<b>Unquoted</b>							
Creative Ashtech Power Projects Private Limited	10	-	-	32000	0.20	32000	0.20
Crest Logistics and Engineers Private Limited	10	<b>409795</b>	<b>0.41</b>	5469990	1.47	5469990	1.47
Global Wind Power Private Limited	10	-	-	5000	0.01	5000	0.01
Power & Energy Resorces Private Limited @ ₹ 14,000	10	-	-	1400	@	1400	@
Reliance Oneworld Limited.	10	-	-	166800	0.50	166800	0.50
Tulip Advisors Private Limited	10	-	-	16500	0.24	16500	0.24
Utkrisht Infotech Private Limited	10	-	-	10250	0.03	10250	0.03
UrthingSobla Hydro Power Private Limited @ ₹ 20,000	10	<b>2000</b>	@	2000	@	2000	@
Western Electricity Supply Company of Odisha Limited (WESCO) @ ₹ 2,000	10	<b>200</b>	@	200	@	200	@
North Eastern Electricity Supply Company of Odisha Limited (NESCO) @ ₹ 2,000	10	<b>200</b>	@	200	@	200	@
Southern Electricity Supply Company of Odisha Limited (SOUTHCO) @ ₹ 2,000	10	<b>200</b>	@	200	@	200	@
Indian Energy Exchange Limited	10	-	-	1250000	25.89	1250000	23.97
Rampia Coal Mine and Energy Private Limited	1	<b>27229539</b>	<b>2.72</b>	24348016	2.43	24348016	2.43
Reliance Infra Projects International Limited	USD 1	<b>10000</b>	<b>0.04</b>	10000	0.04	10000	0.04
Larimar Holdings Limited @ ₹ 4,909	USD 1	<b>111</b>	@	111	@	111	@
Indian Highways Management Company Limited	10	<b>555370</b>	<b>0.56</b>	555370	0.56	555370	0.56
Jayamkondam Power Limited (formerly known as Globtech Advisory Services Limited) @ Re. 1.	10	<b>409795</b>	@	-	-	-	-
Nationwide Communication Private Limited @ ₹ 4,000	10	<b>400</b>	@	-	-	-	-
			<b>3.73</b>		<b>31.37</b>		<b>29.45</b>
<b>Total</b>			<b>10,579.03</b>		<b>10,285.41</b>		<b>8,650.92</b>

# Reliance Infrastructure Limited

## Notes annexed to and forming part of the Consolidated Financial Statements

Particulars	Face value in ₹ unless otherwise stated	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
		Number of Shares/Units	Amount ₹ Crore	Number of Shares/Units	Amount ₹ Crore	Number of Shares/Units	Amount ₹ Crore
<b>Investment in preference shares (fully paid-up)</b>							
<b>In Others - At FVTPL</b>							
<b>Unquoted</b>							
5% Cumulative Redeemable Preference Shares of Reliance Innoventures Private Limited	10	-	-	19999680	1.20	19999680	1.20
6% Non-Convertible Non-Cumulative Redeemable -Reliance CleanGen Limited @ ₹ 1,000	10	-	-	1000	@	1000	@
Non-Convertible Redeemable Preference Shares in Reliance Infra Projects International Limited	USD 1	<b>360000</b>	<b>636.37</b>	360000	577.92	360000	484.44
10% Non-Cumulative Non-Convertible Redeemable Preference Shares in Crest Logistics and Engineers Private Limited	1	<b>10950000</b>	<b>317.45</b>	10950000	273.67	10950000	235.82
6% Non-Cumulative Non-Convertible Redeemable Preference Shares in Crest Logistics and Engineers Private Limited @ ₹ 20,000	10	<b>2000</b>	@	2000	@	2000	@
10% Non-Convertible Non-Cumulative Redeemable Preference Shares in Jayamkondam Power Limited (formerly known as Globtech Advisory Services Limited) @ Cost ₹ 1	10	<b>10950000</b>	@	-	-	-	-
10% Non-convertible Non-cumulative Redeemable Preference Share (Series D) Crest Logistics and Engineers Private Limited.	10	<b>3000000</b>	<b>348.99</b>	3000000	300.86	3000000000	259.25
<b>Total</b>			<b>1,302.81</b>		<b>1,153.65</b>		<b>980.71</b>

**Notes annexed to and forming part of the Consolidated Financial Statements**

Particulars	Face value in ₹ unless otherwise stated	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
		Number of Shares/Units	Amount ₹ Crore	Number of Shares/Units	Amount ₹ Crore	Number of Shares/Units	Amount ₹ Crore
<b>Investment in Government or Trust Securities</b>							
<b>At amortised cost</b>							
<b>Quoted</b>							
<b>Contingencies Reserve Investments</b>							
7.46% Central Government of India	100	500000	4.98	500000	5.02	500000	5.06
8.12% Central Government of India	100	7500000	77.99	7500000	76.35	7500000	76.25
8.27% Central Government of India	100	1500000	15.40	1500000	15.29	1500000	15.27
7.68% Central Government of India	100	1500000	15.22	1500000	15.21	-	-
7.68% Central Government of India	100	1300000	13.69	-	-	-	-
10.03% Govt. of India Securities	100	-	-	-	-	1700000	18.41
<b>Total</b>			<u>127.28</u>		<u>111.87</u>		<u>114.99</u>
<b>Investment in Debentures (fully paid-up)</b>							
<b>At FVTPL</b>							
<b>Unquoted</b>							
10.50% Unsecured Redeemable Non-Convertible Debentures in Crest Logistics and Engineers Private Limited	100	100000000	414.69	100000000	363.76	100000000	411.05
10.50% Unsecured Redeemable Non-Convertible Debentures in Crest Logistics and Engineers Private Limited	100	120000000	471.37	120000000	413.48	120000000	473.06
			<u>886.06</u>		<u>777.24</u>		<u>884.11</u>
<b>Total</b>			<u>12,895.18</u>		<u>12,328.17</u>		<u>10,630.73</u>
<b>Less : Provision for diminution in value of Investments @ ₹ 3,000</b>			@		0.33		0.33
<b>Total</b>			<u>12,895.18</u>		<u>12,327.84</u>		<u>10,630.40</u>
		<b>Market Value</b>	<b>Book Value</b>	<b>Market Value</b>	<b>Book Value</b>	<b>Market Value</b>	<b>Book Value</b>
Aggregate amount of quoted investments		7,463.56	10,684.97	7,622.45	10,350.93	6,820.22	8,722.48
Aggregate amount of unquoted investments			2,210.21		1,977.24		1,908.25
Aggregate amount of impairment in the value of investments @ ₹ 3,000			@		0.33		0.33

\$ Associate relationships during the year

\*11,20,00,000 (-) shares of Reliance Power Limited are pledged with the Lenders of Investee Company

# 62,75,20,433 (March 31, 2016: 62,65,20,433, April 01, 2015: 44,42,22,318) shares of Reliance Power Limited and 22,64,53,025 (March 31, 2016 - 22,01,03,025) shares of Reliance Defence and Engineering Limited are pledged with the Lenders of the Parent Company.

# Reliance Infrastructure Limited

## Notes annexed to and forming part of the Consolidated Financial Statements

### 7(b) Current Investments

Particulars	Face value in ₹ unless otherwise stated	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
		Number of Units	Amount ₹ Crore	Number of Units	Amount ₹ Crore	Number of Units	Amount ₹ Crore
<b>Investment in Mutual Funds Units</b>							
<b>At FVTPL</b>							
<b>Quoted</b>							
Reliance Liquidity Fund – Direct Growth Plan Growth Option	1,000	-	-	149948	34.24	130609	27.56
Reliance Money Manager Fund-Daily Dividend Reinvestment	10	-	-	-	-	66	0.01
Reliance Liquid Fund-Treasury Plan-Daily Dividend Option Plan @ ₹ 1,694	10	1	@	1	@	-	-
Reliance Liquidity Fund- Daily Dividend Plan @ ₹ 34,986	1,000	35	@	243	0.02	-	-
Reliance Liquidity Fund- Direct Plan Daily Dividend Plan @ ₹ 26,235	10	26	@	-	-	-	-
Reliance Money Manager Fund- Growth Plan Growth Option @ ₹ 3,040 (₹ 2,803)	10	1	@	1	@	18607	1.86
Reliance Floating Short Term Fund- Growth option	10	212463	0.57	7163070	18.80	2329255	6.05
Reliance Money Manager Fund – Daily Dividend Plan	10	3713	0.27	-	-	-	-
Reliance Money Manager Fund – Growth Option	10	-	-	29950	5.99	-	-
SBI Premiere Liquid Fund – Direct – Growth	1,000	48318	12.33	116981	27.85	546507	120.18
Reliance Liquid Fund – Treasury Plan – Direct – Growth Option	1,000	156252	61.00	238110	87.98	760663	206.22
Reliance Liquid Fund – Treasury Plan – Direct – Daily Dividend	1,000	44696	6.83	13763	2.10	16057	5.47
Taurus Liquid Mutual Fund – Direct Plan – Growth	1,000	281	0.05	184443	30.29	-	-
JM Liquidity Fund – Growth Option – Direct	10	18127896	80.69	18127896	75.12	-	-
Indiabull Liquid Fund – Direct plan – Growth	10	581841	92.45	-	-	-	-
<b>Total</b>			<b>254.19</b>		<b>282.39</b>		<b>367.35</b>
Aggregate amount of quoted investments			254.19		282.39		367.35
Aggregate amount of unquoted investments			-		-		-
Aggregate amount of impairment in the value of investments			-		-		-

Notes annexed to and forming part of the Consolidated Financial Statements

7(c) Trade Receivables

₹ Crore

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Trade receivables (Including retention on contract)	6,131.27	6,317.82	7,435.19
Less: Allowance for doubtful debts	447.73	433.94	459.00
<b>Total receivables</b>	<b>5,683.54</b>	<b>5,883.88</b>	<b>6,976.19</b>
Current portion	5,683.54	5,616.06	6,149.03
Non-current portion	-	267.82	827.16
	<b>5,683.54</b>	<b>5,883.88</b>	<b>6,976.19</b>

These trade receivables are given as security to the lenders – Refer Note No.11(b)

Break-up of Trade Receivables

₹ Crore

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Secured, considered good	1,545.52	1,482.87	1,351.20
Unsecured, considered good	4,138.02	4,401.01	5,624.99
Doubtful	447.73	433.94	459.00
<b>Total</b>	<b>6,131.27</b>	<b>6,317.82</b>	<b>7,435.19</b>
Allowance for doubtful debts	447.73	433.94	459.00
<b>Trade Receivables (net)</b>	<b>5,683.54</b>	<b>5,883.88</b>	<b>6,976.19</b>

7(d) Service Concession Receivables

₹ Crore

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>Opening balance</b>	<b>1,448.72</b>	1,322.65	1,439.69
Accrued interest	158.86	145.29	156.80
Scheduled Repayments	202.03	182.93	180.85
Unrecovered Financial Assets	114.50	114.82	114.50
Addition during the year	38.54	278.53	21.51
<b>Closing balance</b>	<b>1,329.59</b>	<b>1,448.72</b>	<b>1,322.65</b>

Service Concession Receivables as per Balance Sheet

Non-current	928.39	1,094.52	1,003.77
Current	287.76	287.76	287.76
<b>Total (A)</b>	<b>1,216.15</b>	<b>1,382.28</b>	<b>1,291.53</b>
<b>Grant Receivable from NHAI*</b>			
Non-current	-	13.22	31.12
Current	113.44	53.22	-
<b>Total (B)</b>	<b>113.44</b>	<b>66.44</b>	<b>31.12</b>
<b>Total (A + B)</b>	<b>1,329.59</b>	<b>1,448.72</b>	<b>1,322.65</b>

Finance receivables comprise of amounts receivable with respect to concession agreements, where the demand risk falls on the grantor or amounts that are guaranteed to the Group contractually under the concession agreements.

\* Grant receivable from NHAI for DA Toll Road Private Limited amounting to ₹ 113.44 Crore (March 31, 2016- ₹ 66.44 Crore, April 01, 2015- ₹ 31.12 Crore) grouped under financial assets.

# Reliance Infrastructure Limited

## Notes annexed to and forming part of the Consolidated Financial Statements

### Service Concession Arrangements – Main Features

Name of entity	Description of the arrangement	Significant terms of the arrangement	Intangible Assets		₹ Crore
			Gross book value	Net book value	Financial Asset
DA Toll Road Private Limited	Financing, design, building and operation of 180 kilometre long six lane toll road between Delhi and Agra on National Highway 2	Period of concession: 2012 – 2038	<b>March 31, 2017</b> <b>1,793.03</b>	<b>March 31, 2017</b> <b>1,753.84</b>	<b>March 31, 2017</b> <b>113.44</b>
		Remuneration : Toll			
		Investment grant from concession grantor : Yes	March 31, 2016	March 31, 2016	March 31, 2016
		Infrastructure return at the end of concession period : Yes	-	-	66.44
HK Toll Road Private Limited	Financing, design, building and operation of 60 kilometre long six lane toll road between Hosur and Krishnagiri on National Highway 7	Investment and renewal obligations : Nil	April 01, 2015	April 01, 2015	April 01, 2015
		Re-pricing dates : Yearly	-	-	31.14
		Basis upon which re-pricing or re-negotiation is determined : Inflation			
		Premium payable to grantor : Nil			
KM Toll Road Private Limited	Financing, design, building and operation of 71 kilometre long four lane toll road between Kandla and Mundra on National Highway 8A	Period of concession: 2011 – 2035	<b>March 31, 2017</b> <b>1,933.04</b>	<b>March 31, 2017</b> <b>1,882.87</b>	<b>March 31, 2017</b> <b>-</b>
		Remuneration : Toll			
		Investment grant from concession grantor : Nil	March 31, 2016	March 31, 2016	March 31, 2016
		Infrastructure return at the end of concession period : Yes	1,938.68	1,913.15	-
		Investment and renewal obligations : Nil	April 01, 2015	April 01, 2015	April 01, 2015
		Re-pricing dates : Yearly	1,706.81	1,706.81	-
		Basis upon which re-pricing or re-negotiation is determined : Inflation			
		Premium payable to grantor : Yes			
KM Toll Road Private Limited	Financing, design, building and operation of 71 kilometre long four lane toll road between Kandla and Mundra on National Highway 8A	Period of concession: 2011 – 2036	<b>March 31, 2017</b> <b>1,362.52</b>	<b>March 31, 2017</b> <b>1,331.76</b>	<b>March 31, 2017</b> <b>-</b>
		Remuneration : Toll			
		Investment grant from concession grantor : Nil	March 31, 2016	March 31, 2016	March 31, 2016
		Infrastructure return at the end of concession period : Yes	1,364.81	1,355.66	-
		Investment and renewal obligations : Nil	April 01, 2015	April 01, 2015	April 01, 2015
		Re-pricing dates : Yearly	-	-	-
		Basis upon which re-pricing or re-negotiation is determined : Inflation			
		Premium payable to grantor : Yes			

Notes annexed to and forming part of the Consolidated Financial Statements

Name of entity	Description of the arrangement	Significant terms of the arrangement	Intangible Assets		₹ Crore
			Gross book value	Net book value	Financial Asset
PS Toll Road Private Limited	Financing, design, building and operation of 137 kilometre long six lane toll road between Pune and Satara on National Highway 4	Period of concession: 2010 – 2034	<b>March 31, 2017</b>	<b>March 31, 2017</b>	<b>March 31, 2017</b>
		Remuneration : Toll	<b>2,974.55</b>	<b>2,847.00</b>	-
		Investment grant from concession grantor : Nil	March 31, 2016	March 31, 2016	March 31, 2016
		Infrastructure return at the end of concession period : Yes	1,010.09	981.05	-
		Investment and renewal obligations : Nil	April 01, 2015	April 01, 2015	April 01, 2015
		Re-pricing dates : Yearly	1,010.09	1,010.09	-
		Basis upon which re-pricing or re-negotiation is determined : Inflation			
		Premium payable to grantor : Yes			
Western Region Transmission (Maharashtra) (WRTM) Division and Western Region Transmission (Gujarat) (WRTG) Division	Build, own and operate (BOO) basis nine transmission lines of 3,064 circuit km length i.e. six lines with length of 2,090 circuit km to be executed by WRTM Division and three lines with length of 974 circuit km WRTG Division	Period of concession: 2011-2037	<b>March 31, 2017</b>	<b>March 31, 2017</b>	<b>March 31, 2017</b>
		Remuneration: Annual fixed charges payment and variable charges	-	-	<b>1,140.60</b>
		Investment grant from concession grantor : No	March 31, 2016	March 31, 2016	March 31, 2016
		Infrastructure return at the end of concession period : No	-	-	1,210.87
		Investment and renewal obligations : Nil	April 01, 2015	April 01, 2015	April 01, 2015
		Re-pricing dates : Yearly	-	-	1,033.38
		Basis upon which re-pricing or re-negotiation is determined : Inflation			
		Premium payable to grantor : Nil			
Mumbai Metro One Private Limited	The Mumbai Metro Line-1 project of the Versova-Andheri-Ghatkopar corridor for a period of 35 years including the construction period.	Period of concession: 2007-2042 (including 5 years for construction)	<b>March 31, 2017</b>	<b>March 31, 2017</b>	<b>March 31, 2017</b>
		Remuneration: Passenger fare and revenue from advertisement and rentals	<b>3,245.65</b>	<b>3,023.05</b>	-
		Investment grant from concession grantor : Yes	March 31, 2016	March 31, 2016	March 31, 2016
		Infrastructure return at the end of concession period : Yes	3,252.65	3,141.24	-
		Investment and renewal obligations : Nil	April 01, 2015	April 01, 2015	April 01, 2015
		Re-pricing dates : Yearly	3,224.60	3,224.60	-
		Basis upon which re-pricing or re-negotiation is determined : Inflation			
		Premium payable to grantor : Nil			



# Reliance Infrastructure Limited

## Notes annexed to and forming part of the Consolidated Financial Statements

Name of entity	Description of the arrangement	Significant terms of the arrangement	₹ Crore		Financial Asset
			Gross book value	Net book value	
Samalkot Power Station Division	Samalkot Power Station operates the 220 MW combined cycle power plant at Samalkot in the State of Telangana. The 220 MW plant uses natural gas, as the primary fuel and naphtha/high speed diesel as the secondary fuel and sells the power to AP Transco.	Period of concession: 2008 – 2017	<b>March 31, 2017</b>	<b>March 31, 2017</b>	<b>March 31, 2017</b>
		Remuneration: Annual fixed charges payment and variable charges	-	-	<b>75.55</b>
		Investment grant from concession grantor : Yes	March 31, 2016	March 31, 2016	March 31, 2016
		Infrastructure return at the end of concession period : Yes	-	-	171.41
		Investment and renewal obligations : Nil	April 01, 2015	April 01, 2015	April 01, 2015
		Re-pricing dates : Yearly	-	-	258.10
		Basis upon which re-pricing or re-negotiation is determined : Inflation			
		Premium payable to grantor : Nil			
		<b>Total March 31, 2017</b>	<b>11,308.76</b>	<b>10,838.52</b>	<b>1,329.59</b>
		Total March 31, 2016	7,566.23	7,391.10	1,448.72
		Total April 01, 2015	5,941.50	5,941.50	1,322.67

### 7(e) Cash and cash equivalents

Particulars	₹ Crore		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Balances with banks in –			
Current Account	<b>335.06</b>	203.03	360.31
Bank Deposit with original maturity of less than 3 months	<b>134.23</b>	42.00	51.33
Unpaid Dividend Account	<b>14.32</b>	13.32	12.55
Cheques and drafts on hand	<b>69.84</b>	105.42	63.30
Cash on hand	<b>10.57</b>	12.83	13.07
<b>Total</b>	<b><u>564.02</u></b>	<b><u>376.60</u></b>	<b><u>500.56</u></b>

### 7(f) Bank Balances other than cash and cash equivalents

Particulars	₹ Crore		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Bank Deposits with Original Maturity of more than 3 months but less than 12 months	<b>113.92</b>	104.32	94.13
<b>Total</b>	<b><u>113.92</u></b>	<b><u>104.32</u></b>	<b><u>94.13</u></b>

Notes annexed to and forming part of the Consolidated Financial Statements

**Restricted Cash and Bank Balances:**

The Company is required to keep restricted cash for

- a) issuing the Bank Guarantee for Sales-tax department
- b) Escrow accounts,

details of which are given below:

Particulars	₹ Crore		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Bank Deposits – with original maturity of less than 3 months	41.27	33.04	85.12
Unpaid dividend	14.32	13.32	12.55
Escrow account	7.45	14.76	2.29
<b>Total</b>	<b>63.04</b>	<b>61.12</b>	<b>99.96</b>

**7(g) Loans**

Particulars	₹ Crore		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>(Unsecured, considered good unless otherwise stated)</b>			
Loans to related parties (Refer Note No.25)	1,666.07	666.56	547.56
Loans to others	12,015.19	12,597.34	8,643.55
	13,681.26	13,263.90	9,191.11
Less : Provision for Expected Credit Loss	2,619.57	2,600.37	2,159.16
<b>Total</b>	<b>11,061.69</b>	<b>10,663.53</b>	<b>7,031.95</b>

**7(h) Other financial assets**

Particulars	₹ Crore					
	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
(Unsecured, Considered good unless otherwise stated)						
Security deposits						
Considered good	87.52	52.59	46.36	100.34	24.48	96.80
Considered doubtful	-	17.78	-	14.65	-	15.30
Amounts due from customers for contract work	328.64	-	441.69	-	453.40	-
Derivative financial instrument (net)	0.02	-	11.68	-	10.38	-
Receivable from DMRC	966.20	-	766.29	-	516.85	-
Claim receivable from NHAI	24.41	-	7.81	-	7.53	-
Grant receivable from NHAI	113.44	-	53.22	13.22	-	31.12
Interest Accrued / receivables*	490.29	-	72.50	-	76.55	-
Fixed Deposit with bank with maturity of more than 12 months	-	10.28	-	39.28	-	66.30
Margin money with Banks	-	39.72	-	45.82	-	39.39
Unbilled Revenue	336.40	-	369.43	-	332.07	-
Other Receivables (Refer Note No. 8(c) and 9(a))	1,071.88	54.00	302.26	30.58	722.05	51.99
	3,418.80	174.37	2,071.24	243.89	2,143.31	300.90
Less: Provision for doubtful deposit	-	17.78	-	14.65	-	15.30
<b>Total</b>	<b>3,418.80</b>	<b>156.59</b>	<b>2,071.24</b>	<b>229.24</b>	<b>2,143.31</b>	<b>285.60</b>
*Secured	0.59	-	0.75	-	0.70	-

# Reliance Infrastructure Limited

## Notes annexed to and forming part of the Consolidated Financial Statements

### 7(i) Other assets

₹ Crore

Particulars	As at		As at		As at	
	March 31, 2017		March 31, 2016		April 01, 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Capital advances	-	102.29	-	241.45	-	394.01
Advance to vendors	511.78	327.98	707.70	919.97	1,001.78	330.63
Duties and Taxes Recoverable	73.50	58.18	11.39	57.27	28.22	61.11
Advances recoverable in kind or for value to be received	233.29	-	274.85	-	344.49	-
Gratuity Advance	1.14	0.14	0.91	-	-	-
Finance Guarantee Obligation	-	15.27	-	24.79	-	29.66
Other receivables	305.66	4.10	443.41	4.10	411.19	4.10
<b>Total</b>	<b>1,125.37</b>	<b>507.96</b>	<b>1,438.26</b>	<b>1,247.58</b>	<b>1,785.68</b>	<b>819.51</b>

### 8. Assets held for sale and Discontinued operations

#### (a) Description

##### (i) Reliance Cement Company Private Limited

During the year ended March 31, 2016, the Parent Company had signed share purchase agreement dated February 4, 2016 with Birla Corporation Limited for sale of its entire investment in wholly owned subsidiary Reliance Cement Company Private Limited (RCPL).

Accordingly post regulatory approvals and fulfillment of conditions precedent to the said agreement RCPL is disposed on August 22, 2016 and reported as a discontinued operation. Financial information relating to the discontinued operation for the period to the date of disposal is set out below.

##### (ii) Toll roads:

During the year ended March 31, 2017, Reliance Infrastructure Invit Fund (is a trust which is formed to invest in infrastructure assets primarily being the toll road assets. Pursuant to which the Reliance Infrastructure Limited (Parent)( Sponsor / project manager) has proposed to transfer the controlling interest in seven Toll Road Companies viz, DS Toll Road Limited, GF Toll Road Private Limited, NK Toll Road Limited, JR Toll Road Private Limited, SU Toll Road Private Limited, TK Toll Road Private Limited and TD Toll Road Private Limited and accordingly the assets and liabilities of these subsidiaries have been considered as Non-Current Asset held for sale as per Ind AS 105 "Non Current Assets held for sale and discontinued operations".

#### (b) The Combined financial performance and cash flow information of Reliance Cement Company Private Limited and Toll Road Companies presented as under:

₹ Crore

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Revenue	1,082.39	2,048.78
Expenses	1,192.07	2,383.12
<b>Profit / (Loss) before income tax</b>	<b>(109.68)</b>	<b>(334.34)</b>
Income tax expense	31.93	20.63
<b>Profit after income tax from discontinued operations</b>	<b>(77.75)</b>	<b>(313.71)</b>
<b>Other comprehensive income from discontinued operations</b>	<b>-</b>	<b>-</b>
Net cash inflow/(outflow) from operating activities	476.45	450.14
Net cash inflow/(outflow) from investing activities	(31.64)	508.59
Net cash inflow/(outflow) from financing activities	(432.08)	(341.35)
<b>Net increase in cash generated from discontinued operation</b>	<b>12.73</b>	<b>617.38</b>

Note: The above amount is attributable to equity holders of the Parent Company

Notes annexed to and forming part of the Consolidated Financial Statements

(c) Details of the sale of RCPL , a subsidiary of the Parent Company

		₹ Crore
Particulars		Year ended March 31, 2017
Total Consideration:		
Amount Received	2,010.00	
Amount Receivable	<u>259.06</u>	2,269.06
Carrying amount of net assets sold		2,151.81
Goodwill written off		31.67
Gain on sale of subsidiary		<u>85.58</u>

The carrying amounts of assets and liabilities as at the date of sale i.e. August 22, 2016 were as follows:

		₹ Crore
Particulars		As at August 22, 2016
Property, Plant and Equipment and intangible assets		3,081.89
Trade receivables		31.13
Other current and non-current assets		<u>1,854.18</u>
<b>Total Assets</b>		<b>4,967.20</b>
Borrowings		2,408.73
Trade payables		378.09
Other current and non-current liabilities		<u>28.57</u>
<b>Total Liabilities</b>		<b>2,815.39</b>
<b>Net assets</b>		<b><u>2,151.81</u></b>

(d) Assets and liabilities of disposal group classified as held for sale

				₹ Crore
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015	
Property, Plant and Equipment	-	2,781.07	2,768.35	
Capital work-in-progress	-	319.99	276.53	
Concession intangible assets	3,538.10	3,631.07	3,668.25	
Intangible assets	-	8.43	7.91	
Intangible assets under development	0.91	1.21	55.29	
Trade receivables	-	49.93	29.45	
Other Current / Non-current assets	395.15	811.38	1,387.04	
<b>Total assets of disposal group held for sale</b>	<b>3,934.16</b>	<b>7,603.08</b>	<b>8,192.82</b>	
Liabilities directly associated with assets classified as held for sale				
Trade payables	50.06	234.68	300.89	
Borrowings	2,607.93	5,042.70	4,892.21	
Other Current / Non-current Liabilities	349.52	533.10	438.63	
<b>Total liabilities of disposal group held for sale</b>	<b>3,007.51</b>	<b>5,810.48</b>	<b>5,631.73</b>	

# Reliance Infrastructure Limited

## Notes annexed to and forming part of the Consolidated Financial Statements

### 9. Regulatory deferral account balances

In accordance with accounting policy (Refer Note No. 1 (e) (i)) and in accordance with the Guidance Note on Rate Regulated Activities issued by ICAI, the reconciliation of the Regulatory Assets / (Liabilities) of Parent Company, Delhi Discoms (subsidiaries) and PKTCL as on March 31, 2017 is as under:

		₹ Crore	
Sr. No.	Particulars	2016-2017	2015-2016
I	Regulatory Assets / (Liability)		
A	Opening Balance	18,107.83	18,725.45
B	Add : Income recoverable/(reversible) from future tariff / Revenue GAP for the year		
1	For Current Year	693.61	140.12
2	For Earlier Year	467.76	15.33
3	Regulatory assets recoverable on account of Deferred Tax on Depreciation difference	26.59	40.45
	Total a (1+2+3)	1,187.96	195.90
C	Recovered during the year	1,332.77*	813.52
D	Net Movement during the year (B-C)	(144.81)	(617.63)
E	<b>Closing Balance (A-D)</b>	<b>17,963.02</b>	<b>18,107.83</b>
II	Deferred Tax (Assets) / Liability associated with Regulatory Assets / (Liability)		
	Opening Balance	4,431.06	4,123.43
	Add: Deferred Tax (Assets) / Liabilities During the Year	247.60	307.63
	Total deferred Tax (Assets) / Liability associated with regulatory Assets / (Liability)	4,678.66	4,431.06
	Less: Recoverable from future Tariff	4,678.66	4,431.06
	<b>Closing Balance</b>	<b>-</b>	<b>-</b>
III	<b>Balance as at the end of the year (I+II)</b>		
	Regulatory Assets	17,969.56	18,107.83
	Regulatory Liability	6.54	-
		<b>17,963.02</b>	<b>18,107.83</b>

Regulatory Assets of ₹ 17,114.31 Crore as at March 31, 2017, ₹ 17,044.26 Crore as at March 31, 2016 and ₹ 17,655.29 Crore as at April 01, 2015 have been given as Security to the Lenders.

#### Regulatory Assets of Parent Company:

- \* includes ₹ 739.61 Crore recoverable from Vidarbha Industries Power Limited (VIPL) as per MERC Order dated June 20, 2016 in the matter of petition of VIPL for truing up for FY 2014-15 and provisional truing up for FY 2015-16 and also MERC Order dated October 21, 2016 in the matter of petition of the Company for True-up for the year 2014-15 and provisional Truing up for the year 2015-16. Out of this amount, VIPL has paid ₹ 213.50 Crore till March 31, 2017 and the balance amount of ₹ 526.11 Crore recoverable from VIPL is included in Other current financial assets as Other Receivables.
- From April 01, 2012 till March 31, 2016 (2nd Multi Year Tariff (MYT) control period) and from 1st April 2016 till 31st March 2020 (3rd Multi Year Tariff (MYT) control period), determination of Retail Supply Tariff (RST) / Transmission charges chargeable by the Company to its consumers is governed by MERC (MYT) Regulations 2011 and MERC (MYT) Regulations) 2015, whereby MERC is required to determine the RST and Transmission charges in a manner that the Company recovers its power purchase costs as well as other prudently incurred expenses and earns assured return of 15.5% p.a. on MERC approved equity in Distribution Wires Business and Transmission Business and 17.5% p.a. on MERC approved equity in Retail Supply Business, subject to achievement of Plant Load Factor of 85% , transmission availability of 98% and Aggregate Technical and Commercial (AT&C) loss reduction targets respectively. The rate review or "truing up" process during the MYT period is being conducted as per the principles stated in MYT Regulations 2011 and 2015.

Notes annexed to and forming part of the Consolidated Financial Statements

- c. During the truing up process, revenue gaps (i.e. surplus/shortfall in actual returns over returns entitled) are determined by the regulator and are permitted to be carried forward as regulatory assets/ regulatory liabilities which would be recovered / refunded through future billing based on future tariff determination by the regulator. At the end of each accounting period, Company also determines regulatory assets/regulatory liabilities in respect of each accounting period on self true up basis on principles specified in accounting policy Note No. 1 (e)(i) wherever regulator is yet to take up formal truing up process.
- d. During the year ended March 31, 2014, the Company had received tariff order from MERC allowing it to recover the regulatory gap determined by the regulator for the period upto March 31, 2012, aggregating to ₹ 2,463.18 Crore along with carrying cost of ₹ 1,403.65 Crore on smoothened recovery basis over a period of 6 years till FY 2018-19. The Company has apportioned an amount of ₹ 461.02 Crore towards carrying cost out of the total recovery during the year ended March 31, 2017 of ₹ 829.03 Crore under the said order.
- e. MERC, vide its Orders dated June 22, 2016, August 18, 2016 and October 21, 2016, has trued up revenue gap for period upto 31st March 2015 for Mumbai Transmission Business, Generation Business and Distribution Business respectively with certain dis-allowances. MERC has also approved tariffs in respect of Distribution Business for the year 2016-17 w.e.f. October 1, 2016 by its Tariff Order dated October 21, 2016.
- f. During the year MERC vide its Order dated October 21, 2016 in respect of the Mumbai Distribution Business, trued up the revenue gap for the year 2014-15 wherein additional revenue gap of ₹ 250.78 Crore was allowed to the Company. Similarly in the same Order MERC also allowed an additional amount of ₹ 285.16 Crore giving effect to the order of the Appellate Tribunal in respect of certain disallowances made by the MERC for the years 2003-04 to 2011-12. MERC also gave additional revenue gap of ₹ 64.22 Crore in respect of case no 69 of 2013 for the years 2011-12 & 2012-13 effect of which was inadvertently not considered by MERC in the True Up Order for the year 2013-14. Revenue Gap in respect of Generation Business of ₹ 132.40 Crore for the years 2009-10, 2010-11 and 2011-12 was reversed during the year. The above amounted to an aggregate revenue gap of ₹ 467.76 Crore which has been accounted as regulatory income during the year ended March 31, 2017.

**Regulatory Assets of Delhi Discoms (BRPL / BYPL):**

From April 01, 2012 till March 31, 2015 (MYT period), and as per new Regulations-139 (DERC Tariff Regulations, 2017 notified by DERC on Feb 1, 2017), the previous Regulations which was already over has been extended upto March 31, 2017, determination of Retail Supply Tariff (RST) chargeable by the Delhi Discoms to its consumers is governed by DERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations 2011 (MYT Regulations, 2011), whereby DERC shall determine the RST in a manner that the Company recovers its power purchase costs as well as other prudently incurred expenses and earns assured return of 16% p.a. on DERC approved equity subject to achievement of Aggregate Technical and Commercial (AT&C) loss reduction targets. The truing up process during the MYT period is being conducted as per the principle stated in Section 4.21 of the MYT Regulations, 2011. The earlier MYT Regulations dated May 30, 2007 were applicable for the extended period upto March 31, 2012.

During the truing up process, revenue gaps (i.e. shortfall in actual returns over assured returns) are determined by the regulator and are permitted to be carried forward as regulatory assets/ regulatory liabilities which would be recovered / refunded through future billing based on future tariff determination by the regulator at the end of each accounting period.

Delhi Discoms determines revenue gap (FY 2013-14 to FY 2016-17) based on the principles laid down under the MYT Regulations and Tariff Orders issued by DERC (except for the current Tariff Order referred below). In respect of such revenue gaps, appropriate adjustments, have been made for the respective years in term of the Guidance Note on Rate Regulated Activities issued by ICAI on a conservative basis.

DERC has trued up revenue gap for period upto 31st March 2014 vide its Tariff Order dated 29th September 2015 with certain dis-allowances. The Delhi Discoms have preferred an appeal before APTEL against the disallowance in the DERC Tariff Order dated 29th September 2015 and based on the legal opinion taken by Delhi Discoms the impact of such disallowances, which are subject matter of appeal, has not been included in the computation of Regulatory Asset.

**Regulatory Liability of PKTCL**

In respect of PKTCL, during the year ended March 31, 2017, as per CERC Regulations 2/3rd of net saving in the interest cost on account of refinancing of existing loans at reduced rates resulted in a Regulatory Liability of ₹ 6.54 Crore and increase in the effective tax rate on the Return on Equity resulted in a Regulatory Gap of ₹ 0.50 Crore. The net amount of ₹ 6.04 Crore has been reduced from the Transmission Income for the year.

# Reliance Infrastructure Limited

## Notes annexed to and forming part of the Consolidated Financial Statements

### 10. Share Capital and other equity

#### 10(a) Share Capital

	₹ Crore		
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>Authorised</b>			
45,00,60,000 (45,00,60,000) Equity Shares of ₹ 10 each	450.06	450.06	450.06
80,00,000 (80,00,000) Equity Shares of ₹ 10 each with differential rights	8.00	8.00	8.00
155,00,00,000 (155,00,00,000) Redeemable Preference Shares of ₹ 10 each	1,550.00	1,550.00	1,550.00
4,20,00,000 (4,20,00,000) Unclassified Shares of ₹ 10 each	42.00	42.00	42.00
	<u>2,050.06</u>	<u>2,050.06</u>	<u>2,050.06</u>
<b>Issued</b>			
26,53,92,065 (26,53,92,065) Equity Shares of ₹ 10 each	265.40	265.40	265.40
	<u>265.40</u>	<u>265.40</u>	<u>265.40</u>
<b>Subscribed and fully paid-up</b>			
26,29,90,000 (26,29,90,000) Equity Shares of ₹ 10 each fully paid up	262.99	262.99	262.99
Add: 3,54,479 (3,54,479) Forfeited Shares- Amounts originally paid up	0.04	0.04	0.04
	<u>263.03</u>	<u>263.03</u>	<u>263.03</u>

#### (a) Shares Pledged Details:

Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
1	No of Shares Pledged by Promoter Group Companies	8,33,64,675	7,23,64,675	3,90,00,000

#### (b) Reconciliation of the Shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
Equity Shares -	No. of shares	₹ Crore	No. of shares	₹ Crore	No. of shares	₹ Crore
At the beginning of the year	26,29,90,000	262.99	26,29,90,000	262.99	26,29,90,000	262.99
Outstanding at the end of the year	26,29,90,000	262.99	26,29,90,000	262.99	26,29,90,000	262.99

#### Terms and rights attached to equity shares

##### i. Voting:

The Parent Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

##### ii. Dividends:

Respective companies declare and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

The Board of Directors of the Parent Company in their meeting dated April 15, 2017 have approved a final dividend of ₹ 9 per equity share for the financial year ended March 31, 2017. The proposal is subject to the approval of shareholders at the ensuing annual general meeting and if approved would result in a cash outflow of approximately ₹ 284.87 Crore including corporate dividend tax of ₹ 48.18 Crore.

##### iii. Liquidation:

In the event of liquidation, the holders of equity shares will be entitled to receive all of the remaining assets after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.



Notes annexed to and forming part of the Consolidated Financial Statements

iv. Details of shareholders holding more than 5% shares in the Parent Company

Name of the Shareholders	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	No. of Shares	% held	No. of Shares	% held	No. of Shares	% held
Reliance Project Ventures and Management Private Limited	106,148,937	40.36	106,148,937	40.36	10,61,48,937	40.36
Life Insurance Corporation of India	2,58,44,788	9.83	31,344,788	11.92	3,18,44,943	12.11
Reliance Big Private Limited	1,95,00,000	7.41	1,95,00,000	7.41	1,95,00,000	7.41

v. Buy-back of Equity Shares:

Aggregate number of shares bought back during the period of five years immediately preceding the reporting date – 44,30,262 (March 31, 2016 – 44,30,262 and April 01, 2015 – 44,30,262)

10(b) Other Equity – Reserves and surplus

Particulars	As at		As at		As at	
	March 31, 2017		March 31, 2016		April 01, 2015	
Capital Reserve	5,179.97		3,777.02		3,777.02	
Capital Reserve on Consolidation	3,974.76		3,974.76		3,900.89	
Sale proceeds of fractional Equity Shares Certificates and dividends thereon (@ ₹ 37,953 (March 31, 2016 – ₹ 37,953 , April 01, 2015 – ₹ 37,953))	@		@		@	
Capital Redemption Reserve	130.03		130.03		130.03	
Securities Premium Account	8,825.09		8,825.09		8,825.09	
Debenture Redemption Reserve	626.37		600.98		459.87	
Contingencies Reserve Fund	0.00		95.00		95.00	
Development Reserve Account No.1	1.69		1.69		1.69	
Development Reserve Account No.2	18.97		18.97		18.97	
Debt Redemption Reserve	2.30		2.30		2.30	
Rural Electrification Scheme Reserve	0.11		0.11		0.11	
Reserve to augment production facilities	0.04		0.04		0.04	
Reserve for Power Project	100.00		100.00		100.00	
Development Reserve Account No. 3	140.88		140.88		140.88	
Self Insurance	2.72		1.78		0.84	
General Reserve	5,733.23		6,263.83		5,672.77	
Foreign Currency Monetary Item Translation Difference Account	71.59		6.97		(71.68)	
Retained Earnings	(1,697.68)		(2,513.30)		(1,186.89)	
Treasury Shares	(25.58)		(36.85)		(36.85)	
<b>Total Reserves and Surplus</b>	<b>23,084.49</b>		<b>21,389.30</b>		<b>21,830.08</b>	

(i) Capital Reserve

Particulars	As at		As at	
	March 31, 2017		March 31, 2016	
Balance as per last Balance Sheet	3,777.02		3,777.02	
Add : As per Scheme of Arrangement (Refer Note No. 31)	1,402.95		-	
<b>Closing balance</b>	<b>5,179.97</b>		<b>3,777.02</b>	

(ii) Capital Reserve on Consolidation

Particulars	As at		As at	
	March 31, 2017		March 31, 2016	
Balance as per last Balance Sheet	3,974.76		3,900.89	
Add : Addition on increase in stake	-		73.87	
<b>Closing balance</b>	<b>3,974.76</b>		<b>3,974.76</b>	

# Reliance Infrastructure Limited

## Notes annexed to and forming part of the Consolidated Financial Statements

### (iii) Sale proceeds of fractional Equity Share Certificates and dividends thereon

₹ Crore

Particulars	As at March 31, 2017	As at March 31, 2016
Balance as per last Balance Sheet (@₹ 37,953 (March 31, 2016 – ₹ 37,953 )	@	@
<b>Closing balance</b>	<b>@</b>	<b>@</b>

### (iv) Capital Redemption Reserve

₹ Crore

Particulars	As at March 31, 2017	As at March 31, 2016
Balance as per last Balance Sheet	<b>130.03</b>	130.03
<b>Closing balance</b>	<b>130.03</b>	<b>130.03</b>

### (v) Securities Premium Account

₹ Crore

Particulars	As at March 31, 2017	As at March 31, 2016
Balance as per last Balance Sheet	<b>8,825.09</b>	8,825.09
<b>Closing balance</b>	<b>8,825.09</b>	<b>8,825.09</b>

### (vi) Debenture Redemption Reserve

₹ Crore

Particulars	As at March 31, 2017	As at March 31, 2016
Balance as per last Balance Sheet	<b>600.98</b>	459.87
Add: Transfer from Retained Earnings	<b>200.39</b>	242.46
Less: Transfer to General Reserve	<b>175.00</b>	101.35
<b>Closing balance</b>	<b>626.37</b>	<b>600.98</b>

### (vii) Contingencies Reserve Fund

₹ Crore

Particulars	As at March 31, 2017	As at March 31, 2016
Balance as per last Balance Sheet	<b>95.00</b>	95.00
Add: Transfer to General Reserve	<b>95.00</b>	-
<b>Closing balance</b>	<b>-</b>	<b>95.00</b>

### (viii) Development Reserve Account No.1

₹ Crore

Particulars	As at March 31, 2017	As at March 31, 2016
Balance as per last Balance Sheet	<b>1.69</b>	1.69
<b>Closing balance</b>	<b>1.69</b>	<b>1.69</b>

### (ix) Development Reserve Account No.2

₹ Crore

Particulars	As at March 31, 2017	As at March 31, 2016
Balance as per last Balance Sheet	<b>18.97</b>	18.97
<b>Closing balance</b>	<b>18.97</b>	<b>18.97</b>

Notes annexed to and forming part of the Consolidated Financial Statements

(x) Debt Redemption Reserve

₹ Crore

Particulars	As at March 31, 2017	As at March 31, 2016
Balance as per last Balance Sheet	2.30	2.30
<b>Closing balance</b>	<b>2.30</b>	<b>2.30</b>

(xi) Rural Electrification Scheme Reserve

₹ Crore

Particulars	As at March 31, 2017	As at March 31, 2016
Balance as per last Balance Sheet	0.11	0.11
<b>Closing balance</b>	<b>0.11</b>	<b>0.11</b>

(xii) Reserve to augment production facilities

₹ Crore

Particulars	As at March 31, 2017	As at March 31, 2016
Balance as per last Balance Sheet	0.04	0.04
<b>Closing balance</b>	<b>0.04</b>	<b>0.04</b>

(xiii) Reserve for Power Project

₹ Crore

Particulars	As at March 31, 2017	As at March 31, 2016
Balance as per last Balance Sheet	100.00	100.00
<b>Closing balance</b>	<b>100.00</b>	<b>100.00</b>

(xiv) Development Reserve Account No. 3

₹ Crore

Particulars	As at March 31, 2017	As at March 31, 2016
Balance as per last Balance Sheet	140.88	140.88
<b>Closing balance</b>	<b>140.88</b>	<b>140.88</b>

(xv) Self Insurance Reserve

₹ Crore

Particulars	As at March 31, 2017	As at March 31, 2016
Balance as per last Balance Sheet	1.78	0.84
Add: Transfer from Retained Earnings	0.94	0.94
<b>Closing balance</b>	<b>2.72</b>	<b>1.78</b>

(xvi) General Reserve

₹ Crore

Particulars	As at March 31, 2017	As at March 31, 2016
Balance as per last Balance Sheet	6,263.83	5,672.77
Less: Transfer from Statement of Consolidated Statement of Profit and Loss (net) (Refer Note No.28)	245.02	410.76
Less: Transfer to Statement of Consolidated Statement of Profit and Loss (Refer Note No.35)	555.58	499.53
Add: Transfer from Contingencies Reserve Fund	95.00	-
Add: Transfer from Retained Earnings	-	1,400.00
Add: Transfer from Debenture Redemption Reserve	175.00	101.35
<b>Closing balance</b>	<b>5,733.23</b>	<b>6,263.83</b>

# Reliance Infrastructure Limited

## Notes annexed to and forming part of the Consolidated Financial Statements

### (xvii) Foreign Currency Monetary Item Translation Difference Account (Refer Note No.34)

	₹ Crore	
Particulars	As at March 31, 2017	As at March 31, 2016
Balance as per last Balance Sheet	6.97	(71.68)
Add: Addition during the year	(4.40)	(27.19)
Less: Amortisation during the year	(69.02)	(105.84)
<b>Closing balance</b>	<b>71.59</b>	<b>6.97</b>

### (xviii) Retained Earnings

	₹ Crore	
Particulars	As at March 31, 2017	As at March 31, 2016
Balance as per last Balance Sheet	(2,513.30)	(1,186.89)
Add: Net Profit for the period	1,425.18	759.63
Add :Items of other Comprehensive Income recognised directly in retained earnings		
– Remeasurements gains / (loss) on defined benefit plans (Net of Tax) and movement in Regulatory Deferral account balance	(24.14)	(26.35)
Add: Transfer on dilution of / change in control	(132.24)	126.87
Add: Adjustment to Carrying Cost	15.96	(285.53)
Less: Transfer to General Reserve	–	1,400.00
Less: Dividend paid	226.70	210.39
Less: Tax on dividend	41.10	47.24
Less: Transfer to Debenture Redemption Reserve	200.39	242.46
Less: Transfer to Self Insurance Reserve	0.94	0.94
<b>Closing balance</b>	<b>(1,697.68)</b>	<b>(2,513.30)</b>

### (xix) Treasury Shares

	₹ Crore	
Particulars	As at March 31, 2017	As at March 31, 2016
Balance as per last Balance Sheet	(36.85)	(36.85)
Less : Provision for diminuation in value of equity shares	11.27	–
<b>Closing balance</b>	<b>(25.58)</b>	<b>(36.85)</b>

### Nature and purpose of other reserves

#### (a) Capital Reserve:

The Reserve is created based on statutory requirement under the Companies Act, 2013, on account of forfeiture of equity shares warrants, mergers and acquisitions pursuant to the Order of Hon'ble High Court of Bombay. This is not available for distribution of dividend but can be utilised for issuing bonus shares.

#### (b) Securities Premium Account:

Securities premium account is used to record the premium on issue of shares. The same is utilized in accordance with the provisions of the Act.

#### (c) Debenture Redemption Reserve:

As per the Companies (Share Capital and Debentures) Rules, 2014 (amended), the Company is required to create debenture redemption reserve out of profits, which is available for payment of dividend, equal to 25% of the amount of debentures issued. Accordingly the Group has appropriated 25% of the debentures issued which would be utilized for redemption of debentures during its maturity.

#### (d) Capital Redemption Reserve:

The Capital Redemption Reserve is required to be created on buy-back of equity shares. The Group may issue fully paid up bonus shares to its members out of the capital redemption reserve account.

Notes annexed to and forming part of the Consolidated Financial Statements

(e) Statutory Reserves

(i) Development Reserve Account No. 1, 2 and 3:

It represents Development Rebate Reserve required under the Income-tax Act.

(ii) Debt Redemption Reserve, Rural Electrification Scheme Reserve, Reserve to augment production facilities and Reserve for Power Project –

These reserves were created under the repealed Electricity (Supply) Act, 1948 and Tariff Regulations. These are Statutory Reserves.

(iii) Contingency Reserve

This is a statutory reserve created under the repealed Electricity (Supply) Act, 1948 and Tariff Regulations. In view of orders received and amendments in regulations, the balance amount in contingency reserve has been transferred to General Reserve during the year ended March 31, 2017.

(f) Foreign Currency Monetary Item Translation Difference Account:

The Group has availed an option of continuing the policy adopted for exchange differences arising from translation of long term foreign currency monetary items as per Previous GAAP. Foreign Currency Monetary Item Translation Difference is on account of foreign exchange gain/(loss) on a non-depreciable long term foreign currency monetary item. The Group has opted to continue the accounting policy of Previous GAAP for such long term foreign currency monetary item as per D13AA of Ind AS 101. Accordingly, such gain/(loss) is carried to reserves under this head and amortised over the life of such non-depreciable long term foreign currency monetary item asset.

(g) Treasury Shares:

Reliance Infrastructure ESOS Trust has in substance acted as an agent and the Parent Company as a sponsor retains the majority of the risks rewards relating to funding arrangement. Accordingly, the Parent Company has recognised issue of shares to the Trust as the issue of treasury shares by consolidating Trust into financial statements of the Parent Company.

(h) Self Insurance Reserve:

In Parbati Koldam Transmission Company Limited (PKTCL), Self Insurance reserve is created @ 0.1% p.a. on Gross Block of Fixed Assets (except assets covered under any other insurance policy) as at the end of the year by appropriating current year profit towards future losses which may arise from un-insured risks.

11. Financial liabilities

11 (a) : Non-current borrowings

₹ Crore										
Sr. No.	Particulars	Maturity date	Terms of Repayment	Effective Interest Rate	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
					Non-Current	Current	Non-Current	Current	Non-Current	Current
1	Secured									
	Non convertible debentures (Redeemable at par)									
	Series-3	2018-19	Bullet	6.70%	124.91	-	124.84	-	124.78	-
	Other Series	2017-18 to 2023-24	Monthly / Yearly / Bullet	9.80% to 11.75%	2,831.52	724.00	3,548.09	700.00	3,945.55	405.17
2	Convertible Debentures				159.05	-	159.05	-	159.05	-
3	Rupee Term Loan:									
	from Banks	2017-18 to 2029-30	Monthly / Quaterly / Yearly / Bullet	9.50% to 15.25%	9,618.22	3,833.50	11,786.63	2,107.06	9,478.34	2,655.33

# Reliance Infrastructure Limited

## Notes annexed to and forming part of the Consolidated Financial Statements

₹ Crore										
Sr. No.	Particulars	Maturity date	Terms of Repayment	Effective Interest Rate	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
					Non-Current	Current	Non-Current	Current	Non-Current	Current
4	from Financial Institutions	2017-18 to 2030-31	Monthly / Quarterly	9.50% to 13.35%	1,496.31	201.66	1,870.56	98.56	1,573.07	81.00
	from Others	2017-18 to 2026-27	Quarterly / Yearly	10.00% to 12.00%	21.48	4.17	25.65	168.54	20.33	2.03
	Foreign Currency Loan:									
	External Commercial Borrowings	2018-19	Semi Annual	LIBOR + 325 Basis point	146.80	30.48	179.52	33.79	199.78	33.75
		October 1,2027	Quarterly	6 months LIBOR + margin (340 to 480 basis points)	376.22	17.87	408.24	15.67	404.63	11.50
		June 15, 2024	Quarterly	4.58% - 5.26%	123.59	5.44	137.53	5.71	89.91	-
		June 30, 2024	Quarterly	3 months LIBOR rate + 4.44%/4.62%	322.63	1.62	210.69	5.63	-	-
	Term Loan from Banks	2017-18	Quarterly / Bullet	6.28%	-	-	173.25	-	164.47	-
	Term Loan from Financial Institutions	2018-19 to 2025-26	Quarterly	5.73% to 6.21%	306.37	-	327.41	-	318.55	-
		Total (A)				15,527.10	4,818.74	18,951.46	3,134.96	16,478.46
1	Unsecured Rupee Term Loan:									
	from Banks	2017-18 & 2018-19	Monthly / Bullet	10.25% & 11.20%	8.00	126.00	134.00	56.00	35.00	-
	from Others	2017-18 & 2018-19	Monthly / Bullet	10.50%	89.42	9.00	479.55	6.00	681.25	6.00
2	Foreign Currency Loan:									
	External Commercial Borrowings	2016-17	Bullet	6.63%	-	-	-	993.82	936.77	-
		Total (B)				97.42	135.00	613.55	1,055.82	1,653.02
Total (A + B)					15,624.52	4,953.74	19,565.01	4,190.78	18,131.48	3,194.78

**Notes annexed to and forming part of the Consolidated Financial Statements**

**Secured borrowings (Principal undiscounted amounts) :**

**A. Non Convertible Debentures referred to above to the extent of (in case of Parent Company)**

₹ 125 Crore are secured by way of first pari-passu charge, on Company's fixed ₹ 125 Crore are secured by way of first pari-passu charge on Company's Property, Plant and Equipment, both present and future, of Goa Power Plant, by way of first pari-passu charge on all the assets of Samalkot Power Plant, by way of first pari-passu charge on certain fixed assets i.e. Freehold Land, Plant and Machinery and Distribution Systems of Mumbai distribution division, One Flat located in Thane District in the State of Maharashtra.

₹ 566.67 Crore are secured by way of first pari-passu charge, both present and future, on Company's Plant & Machinery and Building situated at Dahanu, on specific Land and Building situated in Mumbai, on Investment Property situated at Mumbai.

₹ 725.66 Crore are secured by way of first pari-passu charge on specific land and buildings located in Mumbai and on certain Property, Plant and Equipment and Intangible Assets of Mumbai distribution division of the Company.

₹ 500 Crore are secured by first pari-passu charge on Land and Buildings, certain Plant and Machinery and Distribution Systems of the Company's Mumbai distribution division and one Flat situated in Thane District in the State of Maharashtra

₹ 300 Crore are secured by the following:-

- (i) Pledge of 18,30,84,684 shares of M/s. Reliance Power Limited which are owned by the Company.
- (ii) All of the Company's rights, title, interest and benefits in, to and under the bank account no.00600350138613 of Reliance Infrastructure Limited with HDFC Bank, Mumbai Branch.

₹ 650 Crore are secured by way of first pari-passu charge on Company's Property, Plant and Equipment, both present and future, of Goa Power Plant, on all the assets of Samalkot Power Plant, on certain fixed assets i.e. Freehold Land, Plant and Machinery and Distribution Systems of Mumbai distribution division and on One Flat located in Thane District in the State of Maharashtra. (The existing ₹ 125 Crore NCD holders also hold pari-passu charge on the above assets.)

₹ 475 Crore are secured by first ranking pari-passu charge on the following: -

- (i) Specific Regulatory Assets, present and future, related to Mumbai distribution business
- (ii) Escrow Accounts (including DSRA account and Surplus Regulatory Asset Account)
- (iii) One flat located in Thane District in the State of Maharashtra
- (iv) Lien on permitted Investments

₹ 450 Crore from Bank of Maharashtra and ₹ 112.20 Crore from IndusInd Bank Limited, ₹ 200 Crore from Syndicate Bank, ₹ 37.80 Crore from Abu Dhabi Commercial Bank and ₹ 100 Crore from Axis Bank Limited also hold pari-passu charge on the above assets).

₹ 350 Crore are secured by the following:-

- 1) Pledge of 21,74,35,749 shares of M/s. Reliance Power Limited which are owned by the Company.
- 2) One Flat located in Thane District in the State of Maharashtra.
- 3) All of the Company's rights, title, interest and benefits in, to and under the bank account no.0656363-00-0 of Reliance Infrastructure Limited with Deutsche Bank, Mumbai branch together with fixed deposits standing to the credit of the said bank account.

For terms of repayment and rate of interest for each debenture Refer Note No.19 to the Standalone Financial Statements.

**B. Convertible Debentures**

CBDTPL had entered into a debenture subscription agreement dated May 28, 2008 with Telangana State Industrial Infrastructure Corporation (TSIIC), erstwhile Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC) for the issue of 12% fully convertible debentures of ₹ 10 each aggregating to ₹ 179.99 Crore (outstanding ₹ 159.05 Crore as at March 31, 2017) for consideration other than cash secured against a first charge created on the land till the date of execution of the financing documents and thereafter TSIIC will cede the first charge in favour of the lenders and shall continue to have a second charge till the debentures are fully converted into equity shares of the Company. The debentures shall be convertible into equity shares of the Company to maintain the equity holding of TSIIC of 11% in the Company till the debentures are fully converted into equity shares of the Company. The debentures shall be entitled to a coupon of 12% per annum compounded annually pending the conversion into equity shares. Pursuant to the restructuring of the project (Refer Note No. 42 (a)), the coupon rate for interest on debentures has been reduced to 2% p.a. for the period April 1, 2010 to March 31, 2014.



### C. External Commercial Borrowings in Foreign Currency:

₹ 179.63 Crore, in case of Parent Company, are secured by first charge on transmission towers, plant and machinery and all other movable and immovable properties forming part of transmission work, current assets including book debts, operating cash flows, receivables etc., related to the Western Region Strengthening Scheme Project C. The Company is in the process of creating charge on the properties situated in the state of Madhya Pradesh.

₹ 394.08 Crore, in case of Mumbai Metro Rail Concession Rights, are secured by first mortgage/charge of all immovable properties, all moveable machinery, machinery spares, equipment, rolling stock, tools and accessories, vehicles, charges on the non-fund based instruments and all other moveable assets, all other intangible assets both present and future, save and except project assets. The same also secured by first mortgage/charge on all receivables, escrow accounts, bank accounts, revenues of whatsoever nature and wherever arising, both present and future.

The above securities rank pari passu to the security interest created in favor of the Rupee term loans and the buyers credit facilities availed from banks.

₹ 453.29 Crore, in case of Toll Collection Rights, is secured by a first ranking pari passu mortgage/charge over all the Borrower's immovable and movable properties, both present and future, except the Project Assets. The same are also secured by charge on all the Borrower's bank accounts including, but not limited to the Escrow Account/ its Sub-Accounts where all revenues, Disbursements, receivables shall be deposited and in all funds from time to time deposited therein and in all Permitted Investments or other securities representing all amounts credited to the Escrow Account. The same are also secured by charge over / assignment of the right, title, interests, benefits, claims and demands of the Borrower in, to and under any letter of credit, guarantees (except the guarantees issued in favour of NHAI) including contractor guarantees and liquidated damages and performance bond provided by any party to the Project Documents.

### D. Term Loans from Financial Institutions are secured as under:

₹ 500 Crore in case of Parent Company are secured by the following:

- Minimum 1.25 times cover of Non-agriculture Land to be shared with other lenders on pari-passu basis subject to maintenance of 1.25 times cover for IFCI Loan. (The security on these assets is yet to be created).
- Pledge of 22,70,00,000 shares of M/s. Reliance Power Limited by Non-disposable undertaking and Power of Attorney mechanism, which are owned by the Company. It is Interim Security till creation of security over land.

₹ 192 Crore in case of Parent Company are secured by exclusive charge on certain Property, Plant and Equipment of the Mumbai Distribution division of the Company.

₹ 419 Crore in case of Parent Company are secured by the following assets of the Company related to the Western Region Strengthening Scheme Project B:

- First charge by way of mortgage over all the immovable properties, present and future pertaining to the Project;
- First charge by way of mortgage over all the movable assets, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future pertaining to the Project;
- First charge by way of mortgage over cash flow, receivables, book debts, revenue of whatsoever nature and wherever arising, present and future pertaining to the Project
- First charge by way of all intangibles including but not limited to goodwill and uncalled capital, present and future, pertaining to the project;
- A first charge by way of assignment or creation of security interest of :
  - All the rights, title, interest and benefits, claims and demands whatsoever of the Company in the project documents [including but not limited to Transmission services agreement (TSA)/ Power Transmission Agreement (PTA), EPC Contract Revenue Sharing Agreement (RSA), Insurance contracts],
  - Subject to applicable law, all the rights, title, interest Benefits, claims and demands whatsoever of the Company in the clearances, licenses;
  - All the rights, title, interest Benefits, claims and demands whatsoever of the Company in any letter of credit, guarantee, performance bond, corporate guarantee, bank guarantee provided by any party to the project documents and
  - All insurance and insurance proceeds in respect of the project.
- First charge on the trust and retention accounts / escrow account, DSR and any other reserves and other bank accounts of the Company wherever maintained and with respect to the project;

**Notes annexed to and forming part of the Consolidated Financial Statements**

₹ 306.37 Crore, in case Delhi Metro Rail Concession Rights is secured by first charge against moveable properties, machinery, machinery spares, equipment, tools and accessories, vehicles, and all other movable assets except project assets, both present and future and the borrower's other assets, book debts, operating cash flow, commission, outstanding moneys including claims etc. A Corporate Undertaking had been provided by the Parent Company to Consortium Lenders (Banks and Financial Institution) for debt servicing.

₹ 133.20 Crore, in case of PKTCL is secured by first pari-passu charge by way of mortgage of all immovable properties acquired for the project, both present and future and also first pari-passu charge by way of hypothecation of all movable assets, including moveable plant & machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other moveable assets, present and future and also on all the cash flows, Receivables, book debts, revenues of whatsoever nature and wherever arising, present and future and on all intangibles assets, present and future and on guarantees, letter of credit, performance bond, indemnities etc, on all Insurance Contracts and Insurance Proceeds. The same is also secured by Pledge of promoter's Equity Interest representing at least 51% of the project Equity Capital.

₹ 11.45 Core, in case of RDL is secured by first charge on movable fixed assets and current assets, cash flow arising from operation and income from investments both present and future and all other assets including all rights, titles, interest, claims, insurance policies etc.

₹ 445.65 Crore, in case of Toll Collection Rights, is secured by a first ranking pari passu mortgage/charge over all the Borrower's immovable and movable properties, both present and future, except the Project Assets. The same are also secured by charge on all the Borrower's bank accounts including, but not limited to the Escrow Account/ its Sub-Accounts where all revenues, Disbursements, receivables shall be deposited and in all funds from time to time deposited therein and in all Permitted Investments or other securities representing all amounts credited to the Escrow Account. The same are also secured by charge over / assignment of the right, title, interests, benefits, claims and demands of the Borrower in, to and under any letter of credit, guarantees (except the guarantees issued in favour of NHAI) including contractor guarantees and liquidated damages and performance bond provided by any party to the Project Documents. In case of PSTL, the same are secured by first pari-passu charge/ security interest over all present and future non-current regulatory assets of the Parent Company.

**E. Term Loans from Banks are secured as under:**

₹ 224 Crore in case of Parent Company, is secured by way of first exclusive pari-passu charge on certain Property, Plant and Equipment and Intangible Assets of Mumbai distribution division.

₹ 120 Crore in case of Parent Company, is secured by way of first exclusive pari-passu charge on certain Plant and Equipment of EPC division and on Property, Plant and Equipment of Windmill Project of the Company located in Jogimatti in Chitradurga district of Karnataka.

₹ 517.85 Crore in case of Parent Company, is secured by way of first pari-passu charge on certain Property, Plant and Equipment of Mumbai transmission division and specific Land and Building located in Thane and Mumbai, respectively.

₹ 210 Crore in case of Parent Company are secured by way of first pari-passu charge over land of Dahanu Thermal Power Station. (The security on these assets is yet to be created).

₹ 900 Crore in case of Parent Company, are secured by the first pari-passu charge on the following:

- Specific Regulatory Assets, present and future, related to Mumbai distribution business
- Escrow Accounts (including DSRA account and Surplus Regulatory Asset Account)
- One Flat located in Thane District in the State of Maharashtra
- Lien on permitted Investments

(The existing ₹ 475 Crore NCD holders also hold pari-passu charge on the above assets).

₹ 98.23 Crore in case of Parent Company are secured by the following assets of the Company related to the Western Region Strengthening Scheme Project B:

- First charge by way of mortgage over all the immovable properties, present and future pertaining to the Project
- First charge by way of mortgage over all the movable assets, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future pertaining to the Project;
- First charge by way of mortgage over cash flow, receivables, book debts, revenue of whatsoever nature and wherever arising, present and future pertaining to the Project
- First charge by way of all intangibles including but not limited to goodwill and uncalled capital, present and future, pertaining to the project;

- e. A first charge by way of assignment or creation of security interest of :
- All the rights, title, interest and benefits, claims and demands whatsoever of the Company in the project documents [including but not limited to Transmission services agreement (TSA)/ Power Transmission Agreement (PTA), EPC Contract Revenue Sharing Agreement (RSA), Insurance contracts],
  - Subject to applicable law, all the rights, title, interest Benefits, claims and demands whatsoever of the Company in the clearances, licenses;
  - All the rights, title, interest Benefits, claims and demands whatsoever of the Company in any letter of credit, guarantee, performance bond, corporate guarantee, bank guarantee provided by any party to the project documents and
  - All insurance and insurance proceeds in respect of the project.

- f. First charge on the trust and retention accounts / escrow account, DSR and any other reserves and other bank accounts of the Company wherever maintained and with respect to the project;

(Term loan of ₹ 157.80 Crore from L & T Infrastructure Finance Company Limited and ₹ 261.20 Crore from India Infrastructure Finance Company Limited also hold pari-passu charge on the above assets).

₹ 1,312.50 Crore in case of Parent Company are secured by the following:

- Pledge of 22,01,03,025 Equity Shares of Reliance Defence and Engineering Limited by Reliance Defence Systems Private Limited (step-down subsidiary of the Company)
- Subservient charge on Current Assets of the Company, both present and future

₹ 155.56 Crore in case of Parent Company are secured by the following:

- Pledge of 1,88,28,000 Equity Shares of BSES Kerala Power Limited (a 100% subsidiary of the Company)
- Subservient charge on Current Assets of the Company
- Moveable fixed assets of BSES Kerala Power Limited

(The Security on the above assets is yet to be created).

₹ 190 Crore in case of Parent Company are secured by first pari passu charge on Inventory & trade receivable, book debts, other current assets and additionally secured by a flat of the Company located at Mumbai.

₹ 1,200 Crore in case of Parent Company are secured by the following:

- Pledge of 21,93,730 Equity Shares of NK Toll Road Limited, 25,52,840 Equity Shares of DS Toll Road Limited, 5,88,330 Equity Shares of GF Toll Road Private Limited, 10,22,700 Equity Shares of KM Toll Road Private Limited, 11,13,300 Equity Shares of HK Toll Road Private Limited, 38,26,695 Equity Shares of TK Toll Road Private Limited, 32,23,476 Equity Shares of TD Toll Road Private Limited and 55,23,678 Equity Shares of SU Toll Road Private Limited.
- Pledge of 2,462 Equity Shares of JR Toll Road Private Limited and 2,465 Equity Shares of PS Toll Road Private Limited.
- Non-disposal Undertaking on 45,99,180 Equity Shares of DA Toll Road Private Limited.
- Non-disposal Undertaking on 19% Equity Share holding of SU Toll Road Private Limited, GF Toll Road Private Limited, KM Toll Road Private Limited, HK Toll Road Private Limited, TD Toll Road Private Limited and TK Toll Road Private Limited. (Pledge of this 19% Equity Shares is yet to be created).
- Second pari passu charge on the current assets of Company.
- First pari passu charge on all receivable arising out of sub-debt / loan advanced / to be advanced to Road Companies, as mentioned above.

₹ 400 Crore in case of Parent Company are secured by the following:

- Second Charge on Company's current assets excluding Regulatory Assets of Mumbai Distribution Business and WRSS transmission assets.
- Non-disposal Undertaking and Power of Attorney for 49% shareholding in SPV which shall house WRSS Maharashtra project and 24% shareholding in SPV which shall house WRSS Gujarat project.
- This security is to be created within 30 days of transfer of asset of WRSS from the Company to the SPVs which shall house WRSS Projects.

**Notes annexed to and forming part of the Consolidated Financial Statements**

₹ 150 Crore in case of Parent Company is secured by the following:

- a. Residual charge on the entire current assets of the Company both present and future.
- b. Pledge of 2,783 Equity Shares of JR Toll Road Private Limited

₹ 250 Crore in case of Parent Company is secured by subservient charge on moveable Property, Plant and Equipment of the Company with asset cover of minimum 1.25 times.

₹ 305 Crore in case of Parent Company is secured by subservient charge on moveable Property, Plant and Equipment of the Company with asset cover of minimum 1.25 times.

₹ 459.32 Crore in case of PKTCL is secured by first pari-passu charge by way of mortgage of all immovable properties acquired for the project, both present and future and also first pari-passu charge by way of hypothecation of all movable assets, including moveable plant & machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other moveable assets, present and future and also on all the cash flows, Receivables, book debts, revenues of whatsoever nature and wherever arising, present and future and on all intangibles assets, present and future and on guarantees, letter of credit, performance bond, indemnities etc, on all Insurance Contracts and Insurance Proceeds. The same is also secured by Pledge of promoter's Equity Interest representing at least 51% of the project Equity Capital.

₹ 1,501.35 Crore in case of Mumbai Metro Rail Concession Rights are secured by first mortgage/charge of all immovable properties, all moveable machinery, machinery spares, equipment, rolling stock, tools and accessories, vehicles, charges on the non-fund based instruments and all other moveable assets, all other intangible assets both present and future, save and except project assets. The same also secured by first mortgage/charge on all receivables, escrow accounts, bank accounts, revenues of whatsoever nature and wherever arising, both present and future.

The above securities rank pari passu to the security interest created in favor of the Rupee term loans and the buyers credit facilities availed from banks.

₹ 2,153.93 Crore, in case of Toll Collection Rights, is secured by a first ranking pari passu mortgage/charge over all the Borrower's immovable and movable properties, both present and future, except the Project Assets. The same are also secured by charge on all the Borrower's bank accounts including, but not limited to the Escrow Account/ its Sub-Accounts where all revenues, Disbursements, receivables shall be deposited and in all funds from time to time deposited therein and in all Permitted Investments or other securities representing all amounts credited to the Escrow Account. The same are also secured by charge over / assignment of the right, title, interests, benefits, claims and demands of the Borrower in, to and under any letter of credit, guarantees (except the guarantees issued in favour of NHAI) including contractor guarantees and liquidated damages and performance bond provided by any party to the Project Documents. In case of PSTL, the same are secured by first pari-passu charge/ security interest over all present and future non-current regulatory assets of the Parent Company.

₹ 1,301.22 Crore, in case Delhi Metro Rail Concession Rights is secured by first charge against moveable properties, machinery, machinery spares, equipment, tools and accessories, vehicles, and all other movable assets except project assets, both present and future and the borrower's other assets, book debts, operating cash flow, commission, outstanding moneys including claims etc. A Corporate Undertaking had been provided by the Parent Company to Consortium Lenders (Banks and Financial Institution) for debt servicing.

₹ 2,069.78 Crore, in case of Delhi Discoms is secured by first pari-passu charge on the fixed assets, regulatory assets and residual pari-passu charge on the receivables and pledge of 30% shares of the Company. As per the terms of "Distribution and Retail Supply of Electricity License (License No. 2/DIST of 2004)", the Delhi Discoms is required to obtain permission of the DERC for creating charges for loans and other credit facilities availed by it. As on 31st Mar 2017, the required permission for several loans from DERC is sought and is under process.

**F. Loans from Others are secured as under:**

₹ 7.36 Crore in case of Parent Company is secured by first and exclusive charge on specific office equipments including specific networking systems of the Company.

₹ 18.30 Crore, in case of Delhi Discoms is secured by first pari-passu charge on the fixed assets of the respective companies.

# Reliance Infrastructure Limited

## Notes annexed to and forming part of the Consolidated Financial Statements

### 11(b) : Current borrowings

		₹ Crore		
Sr No.	Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
	<b>Secured</b>			
<b>1</b>	<b>Rupee Loan:</b>			
	Working Capital Loans from banks	1,578.35	1,496.74	2,107.90
	Term Loans from banks	1,959.69	386.26	250.32
	Loan from Others	208.68	11.67	157.06
<b>2</b>	<b>Foreign Currency Loan:</b>			
	Buyers' Credit - in foreign currency from banks	140.39	2,675.76	2,919.06
	<b>Total (A)</b>	<b>3,887.11</b>	<b>4,570.43</b>	<b>5,434.34</b>
	<b>Unsecured</b>			
	<b>Rupee Loan:</b>			
1	Term Loans from banks	395.00	470.00	645.00
2	Commercial Paper	1,230.00	555.00	1,200.00
3	Inter Corporate Deposits			
	- from Related Parties	325.00	175.00	175.00
	- Others	79.32	195.29	16.63
	<b>Foreign Currency Loan:</b>			
4	Buyers' Credit - in foreign currency from banks	62.16	828.34	1,134.45
	<b>Total (B)</b>	<b>2,091.48</b>	<b>2,223.63</b>	<b>3,171.08</b>
	<b>Total (A + B)</b>	<b>5,978.59</b>	<b>6,794.06</b>	<b>8,605.42</b>

#### Secured borrowings and assets pledged as security

Working Capital Loans and Buyers' Credit from Consortium Banks are secured by way of first pari-passu charge on stock, book debts, other current assets and additionally secured by a specific immovable property of the Parent Company located at Mumbai. The same is also first pari-passu charge on stores & spares, ii) second pari-passu charge on receivables, regulatory assets and second pari-passu charge on fixed assets of the Delhi Discoms as collateral security

Term Loan from Bank is secured by subservient charge on moveable Property, Plant and Equipments of the Parent Company with asset cover of minimum 1.25 times.

Term Loan from Others is secured by by first charge against moveable properties, machinery, machinery spares, equipment, tools and accessories, vehicles, and all other movable assets except project assets, both present and future and the borrower's other assets, book debts, operating cash flow, commission, outstanding moneys including claims etc.

### 11(c): Trade payables

		₹ Crore				
Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Total outstanding dues to micro and small enterprises	14.51	-	9.66	-	7.41	-
Total outstanding dues to others (Including retention payable)	21,151.26	4.98	18,279.44	252.82	15,301.00	424.64
<b>Total</b>	<b>21,165.77</b>	<b>4.98</b>	<b>18,289.10</b>	<b>252.82</b>	<b>15,308.41</b>	<b>424.64</b>

**Notes annexed to and forming part of the Consolidated Financial Statements**
**Disclosure requirement under MSMED Act, 2006**

This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) has been determined to the extent such parties have been identified on the basis of information available with the group and relied upon by the auditors.

Particulars	₹ Crore		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	<b>14.51</b>	9.66	7.41
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	<b>0.09</b>	0.04	0.01
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	<b>5.47</b>	-	0.30
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	<b>0.24</b>	-	0.01
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	<b>0.33</b>	0.04	0.02
Amount of further interest remaining due and payable in succeeding years	-	-	-

**11(d): Other financial liabilities**

Particulars	₹ Crore					
	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Security deposits						
- from consumers	<b>1,545.52</b>	-	1,482.87	-	1,351.20	-
- from others	<b>368.20</b>	<b>9.57</b>	347.31	8.84	313.98	9.98
Current maturities of long-term debt	<b>4,953.74</b>	-	4,190.78	-	3,194.78	-
NHAI premium payable	<b>143.22</b>	<b>2,486.22</b>	110.16	2,414.57	117.51	1,914.59
Financial guarantee obligation	-	<b>10.33</b>	-	12.90	-	21.37
Interest accrued	<b>421.37</b>	<b>135.73</b>	354.82	99.65	432.96	51.16
Unpaid dividends	<b>14.32</b>	-	13.32	-	12.55	-
Amounts due to customers for contract work	<b>1,197.54</b>	-	1,675.00	-	1,864.59	-
MTM on Derivative Financial Instrument (including forward contract)	<b>5.79</b>	<b>13.27</b>	44.93	-	18.09	-
Creditors for capital expenditure	<b>776.84</b>	-	1,072.69	-	1,259.90	-
Employee benefits payable	<b>9.14</b>	-	6.30	-	3.22	-
Other Payable	<b>65.71</b>	<b>90.83</b>	58.76	157.92	66.86	101.13
<b>Total</b>	<b><u>9,501.39</u></b>	<b><u>2,745.95</u></b>	<b><u>9,356.94</u></b>	<b><u>2,693.88</u></b>	<b><u>8,635.64</u></b>	<b><u>2,098.23</u></b>

# Reliance Infrastructure Limited

## Notes annexed to and forming part of the Consolidated Financial Statements

### 11(e): Other Liabilities

₹ Crore

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Advance received from customers	1,125.02	1,390.30	895.31	1,292.15	1,246.26	1,596.78
Other Advances	-	228.39	-	229.89	-	227.44
Service Line Contribution	-	607.81	-	579.17	-	524.35
Consumer Contribution for Capital works	-	978.82	-	911.56	-	890.18
Grant in Aid	-	16.79	-	17.76	-	18.73
Contingencies Reserve Fund	-	140.11	-	123.35	-	107.79
Other Liabilities (Including statutory dues)	2,027.00	-	1,718.04	-	995.99	-
<b>Total</b>	<b>3,152.02</b>	<b>3,362.22</b>	<b>2,613.35</b>	<b>3,153.88</b>	<b>2,242.25</b>	<b>3,365.27</b>

Grant in Aid represents: a) Under Accelerated Power Development & Reforms Programme to the Govt of India ₹ 15.46 Crore (March 31, 2016 - ₹ 16.33 Crore and April 01, 2015 - ₹ 17.20 Crore) and b) Energy Efficiency & Renewable Energy Management Centre ₹ 1.33 Crore (March 31, 2016 - ₹ 1.43 Crore and April 01, 2015 - ₹ 1.53 Crore)

### 12. Provisions

₹ Crore

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Current	Non-current	Current	Non-current	Current	Non-current
Provision for Disputed Matters	-	380.00	-	380.00	-	380.00
Provision for Employee Benefits:						
Provision for Leave Encashment	201.21	76.76	165.50	62.97	111.85	37.55
Provision for Gratuity (Refer Note No.39)	146.59	0.39	105.34	0.03	56.29	0.01
Provision for Major Maintenance and Overhaul Expenses	-	75.09	-	43.28	-	16.94
Provision for Retirement of Assets	44.02	-	45.12	-	66.64	-
Provision for Legal Claim	6.26	-	7.79	-	7.90	-
Provision-Others	12.00	1.14	13.13	-	12.14	-
<b>Total</b>	<b>410.08</b>	<b>533.38</b>	<b>336.88</b>	<b>486.28</b>	<b>254.82</b>	<b>434.50</b>

#### Information about Provision for Disputed Matters and significant estimates

- Represents provision made for disputes in respect of power business and other corporate matters. No further information is given as the matters are sub-judice and may jeopardize the interest of the Company.
- The provision for major maintenance and overhaul expenses relates to the estimated cost of replacement/overhaul of assets and major maintenance work. These amounts are being discounted for the purposes of measuring the provisions. (Refer Note No. 1(gg)).
- The Group has a programmed for physical verification of major fixed assets in a phased manner. Under this programmed, the Group has completed physical verification of some of the fixed assets during the year. On the basis of this exercise and further reconciliation, provision has been made towards retirement of fixed assets in the books.

#### Movement in Provisions:

₹ Crore

Particulars	Disputed Matters	Retirement of Assets	Legal Claim	Major Maintenance & Overhaul Expenses	Total
<b>As at April 01, 2015</b>	<b>380.00</b>	<b>66.64</b>	<b>7.90</b>	<b>16.94</b>	<b>471.48</b>
Add : Provision made	-	4.84	0.71	26.34	31.89
Less : Provision used / reversed	-	26.36	0.82	-	27.18
<b>As at March 31, 2016</b>	<b>380.00</b>	<b>45.12</b>	<b>7.79</b>	<b>43.28</b>	<b>476.19</b>
Add : Provision made	-	-	0.26	31.81	32.07
Less : Provision used / reversed	-	1.10	1.79	-	2.89
<b>As at March 31, 2017</b>	<b>380.00</b>	<b>44.02</b>	<b>6.26</b>	<b>75.09</b>	<b>505.37</b>



Notes annexed to and forming part of the Consolidated Financial Statements

13. Income and deferred taxes

13 (a) Income tax expenses

₹ Crore		
Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Income tax Expense:		
Current tax:		
Current tax on profits for the year	93.08	295.00
Adjustments for current tax of prior periods	(16.37)	8.24
Total current tax expense (A)	76.71	303.24
Deferred tax:		
Decrease/(increase) in deferred tax assets	(220.57)	(298.93)
(Decrease)/increase in deferred tax liabilities	(36.26)	202.53
Total deferred tax expense/(benefit) (B)	(256.83)	(96.40)
<b>Income tax expense (A + B)</b>	<b>(180.12)</b>	<b>206.84</b>
Income tax expense is attributable to:		
Continuing operations	(148.19)	227.47
Discontinued operations	(31.93)	(20.63)
	<b>(180.12)</b>	<b>206.84</b>

13 (b) Reconciliation of tax expenses and the accounting profit multiplied by India's tax rate:

₹ Crore		
Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Profit from Continuing Operations before income tax expense	1,020.95	824.36
Profit from Discontinued Operations before income tax expense	(109.68)	(334.34)
<b>Total profit before tax</b>	<b>911.27</b>	<b>490.02</b>
Tax at the Indian tax rate of 34.608%	315.37	169.59
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Income not considered for Tax purpose	(30.06)	(46.06)
Expenses withdrawn from general reserve and allowable for Income Tax	(84.80)	(99.00)
Expenses not allowable for tax purposes	57.32	47.30
Corporate social responsibility expenditure not allowable for Tax purpose	11.38	11.24
Fair Valuation of Preference shares / Debentures	(93.05)	(91.47)
Expected Credit Loss Provision on Inter-corporate Deposits	6.64	152.69
Tax losses for which no deferred tax was recognized	133.66	131.72
Recognition of Deferred Tax on Tax Losses	(123.79)	67.84
Deductions under chapter VIA of the Income Tax Act (Sections 80IA/80G)	(402.79)	(263.54)
Unrecognised MAT Credit	63.41	71.06
Adjustments for current tax of prior periods	(16.37)	8.24
Other items	(17.04)	47.23
<b>Income tax expense charged to Consolidated Statement of Profit and Loss</b>	<b>(180.12)</b>	<b>206.84</b>

13 (c) Amounts recognised in respect of current tax / deferred tax directly in equity:

₹ Crore			
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Amounts recognised in respect of current tax / deferred tax directly in equity	-	-	-

# Reliance Infrastructure Limited

## Notes annexed to and forming part of the Consolidated Financial Statements

### 13 (d) Tax losses and Tax credits

Particulars	₹ Crore		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Unused Capital Gains tax losses for which no deferred tax asset has been recognised	799.35	578.39	578.39
Unused losses for which no deferred tax asset has been recognised by subsidiary	3,051.17	2,602.12	2,105.31
Unused Tax Credits – MAT credit entitlement			
Continuing Operations	206.69	146.67	77.21
Discontinued Operations	18.70	15.31	13.71
<b>Total</b>	<b>225.39</b>	<b>161.98</b>	<b>90.92</b>

During the year ended March 31, 2017 the unrecognised past Capital Loss of ₹ 100.38 Crore has been used to reduce the Current year's Capital Gains Tax of ₹ 23.16 Crore.

### 13 (e) Unrecognised temporary differences

Particulars	₹ Crore		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Temporary differences relating to subsidiaries for which deferred tax liability has not been recognized as the Parent Company is able to control the temporary difference:			
Undistributed earnings	1,292.74	1,220.37	1,073.42

### 13 (f) Deferred tax balances

The balance comprises temporary differences attributable to:

Particulars	₹ Crore		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>Deferred Tax Liability on account of:</b>			
Property plant and Equipment, Intangible Assets and Investment Property –			
Carrying amounts other than on account of Fair Valuation	998.49	903.02	784.21
Fair Valuation of Property, Plant and Equipment	2,694.11	2,842.78	3,005.76
Impact of Effective Interest Rate on Borrowings / other financial assets / liabilities	7.15	22.34	(72.04)
Fair Valuation of Financial Instruments	49.98	37.38	27.04
Intangible Assets	1,035.07	1,027.17	835.79
<b>Total Deferred Tax Liabilities</b>	<b>4,784.80</b>	<b>4,832.69</b>	<b>4,580.76</b>
<b>Deferred Tax Asset on account of:</b>			
Provisions	208.97	174.05	152.68
NHAI Premium Payable	868.55	856.52	680.41
Service Concession Arrangements (Appendix A to Ind AS 11)	246.95	233.54	207.08
Finance Lease Arrangement (Appendix C to Ind AS 17)	229.40	168.02	102.84
Disallowances u/s 40(a)/43B of the Income Tax Act, 1961	3.05	3.12	4.86
Unabsorbed losses (including depreciation)	107.80	55.80	16.68
<b>Total Deferred Tax Assets</b>	<b>1,664.72</b>	<b>1,491.05</b>	<b>1,164.55</b>
<b>Net Deferred Tax Liability</b>	<b>3,120.08</b>	<b>3,341.64</b>	<b>3,416.21</b>
Deferred Tax Liabilities (net) as per Consolidated Balance Sheet	3,187.09	3,367.66	3,436.02
Deferred Tax Assets (net) as per Consolidated Balance Sheet	67.01	26.02	19.81
	<b>3,120.08</b>	<b>3,341.64</b>	<b>3,416.21</b>

**Note:** In line with the requirements of Ind AS 114, Regulatory Deferral Accounts, the entity presents the resulting deferred tax asset / (liability) and the related movement in that deferred tax asset / (liability) with the related regulatory deferral account balances and movements in those balances, instead of within that presented above in accordance with Ind AS 12 Income Taxes. Refer Note No. 9 for disclosures as per Ind AS 114.

Notes annexed to and forming part of the Consolidated Financial Statements

13 (g) Movement in deferred tax balances:

Particulars	₹ Crore Deferred Tax Liability
<b>As At April 01, 2015</b>	<b>3,416.21</b>
(Charged)/credited:	
- to profit or loss	(74.57)
- to other comprehensive income	-
<b>As At March 31, 2016</b>	<b>3,341.64</b>
(Charged)/credited:	
- to profit or loss	(221.56)
- to other comprehensive income	-
<b>As At March 31, 2017</b>	<b>3,120.08</b>

14. Revenue from operations

Particulars	₹ Crore Year ended March 31, 2017	Year ended March 31, 2016
<b>Revenue from Power Business :</b>		
Income from sale of power and transmission charges	19,453.87	19,695.27
Less: Discount for Prompt payment of Bills	18.11	18.80
Less - Tax on Sale of Electricity	745.71	735.80
	<u>18,690.05</u>	<u>18,940.67</u>
Wheeling charges received	1,585.40	1,630.34
Cross subsidy charges	82.30	26.95
Carrying Cost on Regulatory Assets	525.67	501.38
Miscellaneous income	106.04	165.95
	<u>20,989.46</u>	<u>21,265.29</u>
<b>Revenue from EPC and Contracts Business :</b>		
Value of contracts billed and service charges	2,539.99	3,774.80
Increase / (decrease) in work in progress -		
Work-in-progress at close	328.64	441.69
Less: Work-in-progress at commencement	441.69	453.40
Net increase / (decrease) in work-in-progress	<u>(113.05)</u>	<u>(11.71)</u>
Miscellaneous income	45.90	-
	<u>2,472.84</u>	<u>3,763.09</u>
<b>Revenue from Infrastructure Business :</b>		
Income from Toll business	593.37	524.24
Income from Metro business	212.73	188.43
Income from Airport business	0.86	0.57
	<u>806.96</u>	<u>713.24</u>
<b>Other Operating Income :</b>		
Provisions / Liabilities written back	57.58	168.60
Insurance Claim received	16.93	5.02
Other Income	322.69	301.37
	<u>397.20</u>	<u>474.99</u>
<b>Total</b>	<u><b>24,666.46</b></u>	<u><b>26,216.61</b></u>

# Reliance Infrastructure Limited

## Notes annexed to and forming part of the Consolidated Financial Statements

### 15. Other Income

	₹ Crore	
Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Interest income on concession financial receivable (net)	140.22	117.20
Fair Value Gains on financial instrument through FVTPL /amortised cost	314.07	534.92
Interest income from other financial assets at amortised cost		
Intercompany deposits	1,458.23	1,123.93
Customer dues	17.68	16.85
On Fixed Deposit with banks	22.91	25.09
Others	69.76	92.29
Dividend income	6.55	13.81
Income from Lease of Investment Property	68.35	9.35
Net gain/(loss) on sale of Investments	95.77	30.92
Net gain on foreign currency translations or transactions	3.55	1.04
Gain on derivative instruments (net) (including MTM on forward contracts) (Refer Note No. 28)	27.34	-
Provisions / Liabilities written back	41.73	9.97
Profit on sale of Property, Plant & Equipments	0.07	0.05
Miscellaneous Income	131.12	79.22
<b>Total</b>	<b>2,397.35</b>	<b>2,054.64</b>

### 16. Employee Benefit Expenses

	₹ Crore	
Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Salaries, Wages, Bonus	1,397.24	1,407.33
Contribution to Provident and Other Funds (Refer Note No. 39)	113.43	99.21
Gratuity Expense (Refer Note No. 39)	39.10	44.25
Workmen and Staff Welfare	156.44	137.27
<b>Total</b>	<b>1,706.21</b>	<b>1,688.06</b>

### 17. Finance Cost

	₹ Crore	
Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Interest and financing charges on financial liabilities:		
Debentures	485.35	526.35
Term Loan	894.28	1,138.66
Foreign currency loan & buyers credit	28.75	26.57
External Commercial Borrowings and Commercial Paper	133.88	173.99
Finance Lease Obligation	462.21	467.06
Working capital and other borrowings	1,529.56	990.97
Security Deposits from Consumers	113.58	91.68
Late Payment Surcharge on Power Purchase	1,613.76	1,380.47
Unwinding of discount on NHAI premium payable and maintenance obligations under concession arrangements	224.28	98.79
Unwinding of discount on other financial liabilities	9.16	2.79
Other finance charges	155.09	128.48
Loss on foreign currency translations or transactions (Refer Note No. 28)	-	252.50
<b>Total</b>	<b>5,649.90</b>	<b>5,278.31</b>

**Notes annexed to and forming part of the Consolidated Financial Statements**
**18. Other Expenses**

	₹ Crore	
Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Consumption of stores and spares	124.96	132.71
Less: Allocated to repairs and other relevant revenue accounts	35.03	36.56
	89.93	96.15
Rent (Refer Note No.38(iii))	49.75	83.89
Repairs and Maintenance:		
– Buildings	128.50	127.59
– Plant and Machinery (including Distribution Systems)	323.54	329.62
– Other Assets	31.50	30.41
Insurance	36.56	41.83
Rates and Taxes	73.27	51.29
Community Development and Environment Monitoring Expenses	2.64	2.47
Corporate Social Responsibility Expenditure	38.10	36.01
Legal and Professional Charges	175.81	157.21
Bad Debts (Net of Provision for Doubtful Debts written back ₹ Nil (March 31, 2016 – ₹ 17.75 Crore)	53.57	67.59
Directors' Sitting fees and Commission	6.54	6.59
Miscellaneous Expenses	617.52	664.99
Loss on foreign currency translations or transactions ) (Refer Note No. 28)	272.36	143.71
Loss on derivative instruments (net) (including MTM on forward contracts) (Refer Note No. 28)	-	26.92
Loss on Sale/Disposal of Property, Plant & Equipments	67.03	49.52
Provision for Doubtful debts / Advances / Deposits / Diminuation of Investments	111.58	109.22
Provision for Expected Credit Loss	19.20	441.21
Operation and Maintainance Expenses	211.69	146.12
Provision for Major Maintenance and Overhaul Expenses	13.26	12.33
Capital Work in Progress Written off	19.75	0.16
<b>Total</b>	<b>2,342.10</b>	<b>2,624.83</b>

**19. Earnings per share**

	₹ Crore	
Particulars	Year ended March 31, 2017	Year ended March 31, 2016
<b>i. Profit /(Loss) for the year for basic and diluted earnings per share:</b>		
From Continuing Operations (a)	1,502.93	1,073.34
From Discontinued Operations (b)	(77.75)	(313.71)
Total Profit /(Loss) for the year (c)	1,425.18	759.63
Profit /(Loss) before Rate Regulated Activities (d)	239.63	568.73
<b>ii. Basic and diluted earnings per share:</b>	₹	₹
From Continuing Operations (a / e)	57.14	40.81
From Discontinued Operations (b / e)	(2.96)	(11.93)
From Continuing and Discontinued Operations (c / e)	54.18	28.88
Before Rate Regulatory Activities (d / e)	9.11	21.62
<b>iii. Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share (e)</b>	<b>26,29,90,000</b>	<b>26,29,90,000</b>

**20.** The Parent Company is engaged in the business of providing infrastructural facilities as per Section 186 (11) read with Schedule VI of the Act. Accordingly, disclosures under Section 186 of the Act is not applicable to the Parent Company.

**21.** Figures for the previous year have been regrouped/reclassified/rearranged wherever necessary to make them comparable to those for the current year. Figures in bracket indicate previous year's figures. @ represents figures less than ₹ 50,000 which have been shown at actuals in brackets with @.

# Reliance Infrastructure Limited

## Notes annexed to and forming part of the Consolidated Financial Statements

### 22. Contingent Liabilities

		₹ Crore		
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015	
(i) Claims against the Group not acknowledged as debts and under litigation	6,161.06	5,976.59	4,247.08	
These include:-				
a) Claims from suppliers	1,003.06	917.15	707.04	
b) Income tax / Wealth tax claims	1,896.33	1,892.74	1,026.57	
c) Indirect tax claims	685.25	486.52	643.35	
d) Claims from consumers	43.49	41.73	55.54	
e) Claims by MMRDA for delay in achieving milestone	1,643.80	1,643.80	1,175.83	
f) Other claims	889.13	994.65	638.75	
(ii) The Parent Company's application for compounding in respect of its ECB of USD 360 million has been deemed by the Reserve Bank of India (RBI) as never to have been made subsequent to the withdrawal of the compounding application. Accordingly, there is no liability in respect of the compounding fee of ₹ 124.68 Crore earlier specified by RBI. Subsequent to the withdrawal of the compounding application, the matter has been referred to the Enforcement Directorate where the same is still pending.				
(iii) In case of Mumbai Metro One Private Limited (MMOPL):				
a) The Municipal Corporation of Greater Mumbai (MCGM) denied the exemption to the Company from payment of municipal taxes and octroi. The Company has filed an appeal dated April 20, 2016 in the Court of Small Causes at Bombay for claiming exemptions for payment of municipal taxes and octroi. The company has received a demand notice for payment of municipal taxes and octroi aggregating ₹ 115.57 Crore and ₹ 1,586.65 Crore respectively which has been disputed by the company.				
b) The Central Government had constituted the Fare Fixation Committee (FFC) for recommending the fare to be charged to passengers on the Mumbai Metro. The Fare Fixation Committee, after considering all relevant aspects and necessary facts, had issued their report on July 8, 2015 recommending the metro fare in the range of ₹ 10 to ₹ 110.				
			</	

**Notes annexed to and forming part of the Consolidated Financial Statements**

- (v) Proportionate share of claims not acknowledged as debt and other contingent liabilities in respect of Associate and Joint Venture Companies amounts to ₹ 254.80 Crore (March 31, 2016: ₹ 143.22 Crore, April 01, 2015: ₹ 66.84 Crore) and share of Capital and other Commitments amounts to ₹ 14,153.24 Crore (March 31, 2016: ₹ 14,398.56 Crore, April 01, 2015: ₹ 20,318.18 Crore).

**23. Commitments**

		₹ Crore		
Particulars		As at	As at	As at
		March 31, 2017	March 31, 2016	April 01, 2015
(i)	Estimated amount of contracts remaining unexecuted on capital account and not provided for (net off of advances)	1,472.46	1,827.30	2,850.23
(ii)	The Parent Company has given equity/fund support/other undertakings for setting up of projects/cost overrun in respect of various infrastructure and power projects being set up by company's subsidiaries and associates; the amounts of which are currently not ascertainable.			

**24. Events occurring after the reporting period**

Refer Note No. 47 for the final dividend recommended by the directors which is subject to the approval of share holders in the ensuing annual general meeting.

**25. Related Party Disclosure**

As per Ind AS – 24 "Related Party Disclosure" the Group's related parties and transactions with them in the ordinary course of business are disclosed below :

**(a) Parties where control exists: None**
**(b) Other related parties where transactions have taken place during the year:**

(i)	Associates (including Subsidiaries of Associates)	1	Reliance Power Limited (RePL)
		2	Rosa Power Supply Company Limited (ROSA)
		3	Sasan Power Limited (SPL)
		4	Vidarbha Industries Power Limited (VIPL)
		5	Chitrangi Power Private Limited (CPPL)
		6	Jharkhand Integrated Power Limited (JIPL)
		7	Coastal Andhra Power Limited (CAPL)
		8	Samalkot Power Limited (SaPoL)
		9	Rajasthan Sun Technique Energy Private Limited (RSTEPL)
		10	Dhursur Solar Power Private Limited (DSPPL)
		11	Siyom Hydro Power Private Limited (SHPPL)
		12	Coastal Andhra Power Infrastructure Limited (CAPIPL)
		13	Urthing Sobla Hydro Power Private Limited (USHPPL)
		14	Reliance Defence and Engineering Limited (RDEL)
		15	Reliance Marine and Offshore Limited (RMOL)
		16	E- Complex Private Limited (ECPL)
		17	Reliance Geothermal Power Private Limited (RGTPPL)
		18	Metro One Operations Private Limited (MOOPL)
		19	RPL Photon Private Limited (RPLPPL)
		20	RPL Sun Technique Private Limited (RPLSTPL)
		21	RPL Sun Power Private Limited (RPLSPPL)
(ii)	Joint Ventures		Utility Powertech Limited (UPL)
(iii)	Investing Party		Reliance Project Ventures and Management Private Limited (RPVMPL)
(iv)	Persons having control over investing party		Shri Anil D Ambani



# Reliance Infrastructure Limited

## Notes annexed to and forming part of the Consolidated Financial Statements

(v)	Enterprises over which person described in (iv) has significant influence	1	Reliance Innoventures Private Limited (REIL)
		2	Reliance Life Insurance Company Limited (RLICL)
		3	Reliance General Insurance Company Limited (RGI)
		4	Reliance Capital Limited (RCap)
		5	Reliance Tech Services Limited (RTSL)
		6	Reliance Infocomm Infrastructure Limited (RIIL)
		7	AAA Sons Private Limited (AAASPL)
		8	Reliance Securities Limited (RSL)
		9	Zapak Digital Entertainment Limited (ZDEL)
		10	Reliance Infratel Limited (RITL)
		11	Reliance Big Private Limited (RBPL)
		12	Reliance Webstore Limited (RWL)
		13	Reliance Communication Limited (RCom)
		14	Talenthouse Entertainment Private Limited (THEPL)
		15	Reliance Big Entertainment Limited (RBEL)
		16	Reliance Assets Reconstruction Company Limited (RARCL)
		17	Reliance Big TV Limited (RBTL)
		18	Reliance Money Solutions Private Limited (RMSPL)
		19	Reliance Money Limited (RML)
		20	Reliance Transport and Travels Private Limited (RTTPL)
		21	Reliance Broadcast Network Limited (RBNL)
		22	Reliance Infocomm Limited (RInfo)
		23	Reliance Mediaworks Limited (RMWL)
		24	Reliance Money Precious Metals Private Limited (RMPMPL)
		25	Reliance Enterprise and Ventures Private Limited (REVPL)
		26	Reliance Home Finance Limited (RHL)
		27	Reliance Nippon Life Asset Management Limited (RNLAML) (Formerly Reliance Capital Asset Management Company Limited )
		28	Reliance Commercial Finance Limited (RCFL)
		29	Reliance IDC Limited (RIDC)
		30	Nationwide Communication Private Limited (NCPL)
		31	AAA Enterprise and Ventures Private Limited (AAAEVPL)
		32	Reliance Ornatus Enterprise and Ventures Private Limited (ROL)

**(c) Details of transactions during the year and closing balances as at the end of the year:**

₹ Crore

Particulars		Year	Investing party, Associates and Joint Ventures	Enterprises over which person described in (iv) above, has significant influence
<b>(a)</b>	<b>Consolidated Statement of Profit and Loss heads:</b>			
<b>(I)</b>	<b>Income:</b>			
(i)	Gross revenue from EPC and Contracts business	2016-17	208.82	-
		2015-16	1,122.78	-
(ii)	Dividend received	2016-17	1.45	-
		2015-16	121.38	-
(iii)	Interest earned	2016-17	131.14	9.79
		2015-16	38.42	2.63
(iv)	Other Income ( including Income from Investment Property)	2016-17	35.70	64.46
		2015-16	1.00	15.48

₹ Crore

Particulars	Year	Investing party, Associates and Joint Ventures	Enterprises over which person described in (iv) above, has significant influence
<b>(II) Expenses:</b>			
(i) Purchase of Power (Including Open Access Charges - Net of Sales)	2016-17 2015-16	2,211.96 2,448.16	41.52 31.70
(ii) Purchase / Services of other items on revenue account	2016-17 2015-16	71.32 0.01	0.43 9.66
(iii) Receiving of services	2016-17 2015-16	0.43 64.24	56.72 15.22
(iv) Rent Paid	2016-17 2015-16	- -	- 1.23
(v) Dividend Paid	2016-17 2015-16	90.23 84.92	17.31 16.29
(vi) Interest Paid	2016-17 2015-16	9.84 -	35.02 23.02
<b>(b) Balance Sheet Heads (Closing Balances):</b>			
(i) Trade payables, Advances received and other liabilities for receiving of services on revenue and capital account	2016-17 2015-16 2014-15	1,984.84 2,038.28 2,273.62	33.67 46.45 42.45
(ii) Investment in Securities	2016-17 2015-16 2014-15	10,575.30 10,228.58 8,587.19	- 1.20 1.20
(iii) Inter Corporate Deposit (ICD) Placed	2016-17 2015-16 2014-15	1,571.10 564.74 539.15	94.97 101.82 8.41
(iv) Trade Receivables, Advance given and other receivables for rendering services	2016-17 2015-16 2014-15	2,381.01 2,414.71 2,905.86	5.96 22.30 4.30
(v) Inter Corporate Deposit (ICD) Taken	2016-17 2015-16 2014-15	150.00 - -	175.00 175.00 175.00
(vi) Interest receivable on Investments and Deposits	2016-17 2015-16 2014-15	75.45 34.58 67.92	8.32 2.22 -
(vii) Other Receivable	2016-17 2015-16 2014-15	526.11 - -	- - -
<b>(c) Guarantees and Collaterals (Closing balances):</b>			
Guarantees and Collaterals	2016-17 2015-16 2014-15	300.00 300.00 301.92	0.24 0.24 -
<b>(d) Transactions during the year:</b>			
(i) ICD Given to	2016-17 2015-16	1,780.75 777.05	0.71 143.25
(ii) ICD Returned by	2016-17 2015-16	774.39 751.46	7.55 50.16
(iii) Recoverable Expenses:-			
(a) incurred for related parties	2016-17 2015-16	- 0.09	0.09 -
(b) incurred by related parties on our behalf	2016-17 2015-16	0.48 71.38	- 0.02

# Reliance Infrastructure Limited

## Notes annexed to and forming part of the Consolidated Financial Statements

₹ Crore

Particulars	Year	Investing party, Associates and Joint Ventures	Enterprises over which person described in (iv) above, has significant influence
(iv) Investment in Equity	2016-17 2015-16	0.02 -	- -
(v) ICD Taken from	2016-17 2015-16	587.50 -	390.60 175.00
(vi) ICD Repaid by	2016-17 2015-16	437.50 -	390.60 175.00
(vii) Purchase of Fixed Assets	2016-17 2015-16	- -	0.78 -
(viii) EPC Advance return back	2016-17 2015-16	0.36 346.67	- -
(ix) Liabilities written back	2016-17 2015-16	- 0.02	- -

### d) Key Management Personnel (KMP) and details of transactions with KMP:

₹ Crore

Name	Category	Years	Salaries	Dividend Paid	Commission & Sitting Fees
Shri Anil D Ambani Chairman	Promoter, Non-executive and Non- Independent director	2016-17 2015-16	- -	0.12 0.11	5.53 5.53
Shri Satish Seth Vice Chairman	Non-executive and Non-Independent director	2016-17 2015-16	- -	- -	0.12 0.12
Dr V K Chaturvedi		2016-17 2015-16	- -	- -	0.15 0.14
Shri R R Rai (upto September 10, 2015)		2016-17 2015-16	- -	- -	- 0.12
Shri Shiv Prabhat (w.e.f. November 4, 2015)		2016-17 2015-16	- -	- -	0.16 0.04
Shri S S Kohli	Independent director	2016-17 2015-16	- -	- -	0.14 0.19
Shri K Ravikumar		2016-17 2015-16	- -	- -	0.16 0.16
Shri V R Galkar		2016-17 2015-16	- -	- -	0.16 0.13
Ms. Ryna Karani		2016-17 2015-16	- -	- -	0.15 0.13
Shri Lalit Jalan	Chief Executive Officer (w.e.f. January 01, 2016)	2016-17 2015-16	2.81 0.88	- -	- 0.02
Shri M S Mehta	Chief Executive Officer (upto December 31, 2015)	2016-17 2015-16	- 3.38	- -	- -
Shri Madhukar Moolwaney	Chief Financial Officer (upto June 03, 2016)	2016-17 2015-16	1.75 1.49	- -	- -
Shri Sridhar Narasimhan	Chief Financial Officer (w.e.f. June 04, 2016)	2016-17 2015-16	1.85 -	- -	- -
Shri Ramesh Shenoy	Manager & Company Secretary	2016-17 2015-16	1.17 0.83	- -	- -

Notes annexed to and forming part of the Consolidated Financial Statements

e) Details of Significant Transactions with Related Party

(i) Balance sheet heads (Closing balance)

As at March 31, 2017

Investment in Equity of RePL ₹ 9,239.35 Crore

As at March 31, 2016

Investment in Equity of RePL ₹ 8,762.39 Crore.

As at April 01, 2015

Investment in Equity of RePL ₹ 8,573.21 Crore, Trade Receivables, Advances given and other receivables for rendering services SaPoL ₹ 2,345.23 Crore

**Note:**

- 1) The above disclosure does not include transactions with/as public utility service providers, viz, electricity, telecommunications etc. in the normal course of business.
- 2) The closing balances of the balance sheet items are as per Ind AS financial statements except for Ind AS adjustments pertaining to Power Purchase Agreement with VIPL (Refer Note No 38(i)).
- 3) Transaction with Related Party which are in excess of 10% of the Total Revenue (including regulatory Income) of the Group are considered as Material Related Party Transactions. Total Revenue (including regulatory Income) for 2016-17 and 2015-16 is as per Ind AS and 2014-15 is as per Previous GAAP.

**26. Segment information**

(a) Description of segments and principal activities

The Group has identified three business segments as reportable viz. 'Power', 'Engineering, Procurement and Construction (EPC) and Contracts' and 'Infrastructure'. Business segments have been identified as reportable segments based on how the CODM examines the Company's performance both from a product and geographic perspective. The inter segment pricing is effected at cost. Segment accounting policies are in line with the accounting policies of the Group.

The Power segment is engaged in generation, transmission and distribution of electrical power at various locations. The Parent Company operates a 500 MW Thermal Power Station at Dahanu, a 220 MW Combined Cycle Power Plant at Samalkot, a 48 MW Combined Cycle Power Plant at Mormugao, a 9.39 MW Wind-farm at Chitradurga and also purchases power from third parties and supplies the power through the Parent's Company own distribution grid in suburbs of Mumbai. BRPL and BYPL distribute the power in the city of Delhi. The Group supplies power to residential, industrial, commercial and other consumers. BKPL operates a 165 MW combined cycle power plant at Kochi. The Group also transmits power through its transmission networks in the States of Maharashtra, Gujarat and Himachal Pradesh. The segment also includes operations from trading of power.

EPC and Contracts segment of Parent Company renders comprehensive value added services in construction, erection, commissioning and contracting.

Infrastructure segment includes businesses with respect to development, operation and maintenance of toll roads, metro rail transit system and airports.

- (b) **Geographical Segments:** All the operations are mainly confined within India. There are no material earnings from outside India. As such there are no reportable geographical segments.

(c) **Segment Revenue and Result**

Sales between segments are carried out at arm's length and are eliminated on consolidation. The segment revenue is measured in the same way as in the Consolidated Statement of Profit and Loss. The expenses and income that are not directly attributable to any business segment are shown as unallocable income (net of unallocable expenses). Interest income and finance cost (including those on concession arrangements i.e. income on concession financial receivables, interest cost on unwinding of NHAI premium) are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Group.

(d) **Segment Assets**

Segment assets are measured in the same way as in the Consolidated Financial Statements. These assets are allocated based on the operations of the segment and the physical location of the asset. Investments and derivative financial instruments held by the Group are not considered to be segment assets but are managed by the treasury function.

(e) **Segment Liabilities**

Segment liabilities are measured in the same way as in the Consolidated Financial Statements. These liabilities are allocated based on the operations of the segment.

The Group's borrowings and derivative financial instruments are not considered to be segment liabilities, but are managed by the treasury function.

# Reliance Infrastructure Limited

## Notes annexed to and forming part of the Consolidated Financial Statements

### Segment Information:

₹ Crore

Particulars	Year ended March 31, 2017				Year ended March 31, 2016			
	Power*	EPC & Contracts	Infrastructure	Total	Power*	EPC & Contracts	Infrastructure	Total
<b>Revenue:</b>								
Total segment revenue	22,556.70	2,492.39	831.40	25,880.49	21,865.13	3,838.78	735.05	26,438.96
Less : Inter Segment revenue	28.49	-	-	28.49	31.45	-	-	31.45
Revenue from external customers	22,528.21	2,492.39	831.40	25,852.00	21,833.68	3,838.78	735.05	26,407.51
<b>Result</b>								
Segment Result	4,165.31	268.96	173.48	4,607.75	3,381.40	875.95	247.52	4,504.87
Finance Cost				(5,649.90)				(5,025.81)
Interest Income including fair valuation of financial instruments				2,022.87				1,910.28
Exceptional Item				85.58				(40.94)
Other un-allocable Income net of expenditure				(45.35)				(524.04)
Net Profit before Tax, Share of Profit in Associates, Joint Ventures				1,020.95				824.35
Less : Tax Expenses				(142.18)				224.62
Add : Share of Profit in Associates and Joint Ventures (net)				309.05				406.49
Less : Non-controlling Interest				(30.75)				(67.11)
Profit after tax from Continuing Operations				1,502.93				1,073.34
Profit after tax from Discontinued Operations				(77.75)				(313.71)
<b>Profit for the year</b>				1,425.18				759.63
Capital Expenditure	1,230.87	0.18	1,043.55		794.90	0.13	1,939.84	
Depreciation	1,294.33	64.42	295.94		1,281.85	78.13	175.91	
Non cash expenses other than depreciation (pertaining to segment only)	132.93	0.22	-		127.51	63.85	1.20	

\*Total segment revenue includes Regulatory Income

₹ Crore

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>Segment Assets:</b>			
Power	47,895.05	48,133.68	49,219.37
EPC & Contracts	5,482.86	6,417.91	7,671.43
Infrastructure	15,136.64	14,202.12	12,859.04
<b>Total Segment Assets of Continuing Operations</b>	<b>68,514.55</b>	<b>68,753.71</b>	<b>69,749.84</b>
Assets of Discontinued Operation	3,934.16	7,603.08	8,192.82
Unallocated Assets	25,898.96	24,438.29	18,986.55
<b>Total Assets</b>	<b>98,347.67</b>	<b>100,795.08</b>	<b>96,929.21</b>
<b>Segment Liabilities:</b>			
Power	28,879.96	25,610.63	21,541.26
EPC & Contracts	6,390.52	6,542.65	7,200.55
Infrastructure	3,811.40	3,877.16	3,527.69
<b>Total Segment Liabilities of Continuing Operations</b>	<b>39,081.88</b>	<b>36,030.44</b>	<b>32,269.50</b>
Liabilities of Discontinued Operation	3,007.51	5,810.48	5,631.73
Unallocated Liabilities (Including Non-controlling Interest)	32,910.76	37,301.83	36,934.87
<b>Total Liabilities</b>	<b>75,000.15</b>	<b>79,142.75</b>	<b>74,836.10</b>

**27. EPC and Contracts Business**

One of the principal businesses of the Parent Company is that of Engineering, Procurement and Construction (EPC) contractors. This activity is undertaken for both associates and subsidiaries of associates which develop infrastructure such as power plants, transmission lines, etc and for third parties engaged in similar development. The Hon'ble Bombay High Court via Scheme of Amalgamation between Reliance Bhavnagar Power Private Limited, Reliance Jamnagar Power Private Limited and Reliance Infrastructure Engineers Private Limited with the Parent Company on February 22, 2013 had permitted the Parent Company to account for this business activity without making any distinction whether the Principal (for whom the Parent Company is the contractor) is associate, subsidiary of associate or any third party, the direction being contained in the Scheme. The Parent Company considers that the permitted accounting treatment leads to a more accurate reflection of the results of the working of the Parent Company. Accordingly, the Parent Company has not eliminated any part of the unrealized profits for the year of ₹ 99.20 Crore on EPC contracts with associates and subsidiaries of associates in the Consolidated Financial Statements as permitted by the Scheme which overrides the relevant provisions of IndAS 28 "Investments in Associates and Joint Ventures". Had the Parent Company not adopted the above accounting treatment, the profit for the year and carrying cost of investment in associates would have been lower by ₹ 99.20 Crore.

**28. Scheme of Amalgamation of Reliance Infraprojects Limited (RInfl) with the Parent Company**

The Hon'ble High Court of Judicature of Bombay had sanctioned the Scheme of Amalgamation of Reliance Infraprojects Limited (RInfl) with the Parent Company on March 30, 2011 with the appointed date being April 01, 2010. As per the clause 2.3.7 of the Scheme, the Parent Company, as determined by its Board of Directors, is permitted to adjust foreign exchange / hedging / derivative contract losses / gains debited / credited in the Consolidated Statement of Profit and Loss by a corresponding withdrawal from or credit to General Reserve.

Pursuant to the option exercised under the above Scheme, net gain on account of derivative instruments / forward contracts of ₹ 27.34 Crore for the year ended March 31, 2017 has been credited to the Consolidated Statement of Profit and Loss and an equivalent amount has been transferred to General Reserve. Similarly, foreign exchange loss of ₹ 272.36 Crore (₹ Nil attributable to finance cost) has been debited to Consolidated Statement of Profit and Loss and an equivalent amount has been withdrawn from General Reserve. The Parent Company has been legally advised that crediting and debiting of the said amount in Consolidated Statement of Profit and Loss is in accordance with Schedule III to the Act. Had such transfer / withdrawal not been done, the Profit before tax for the year ended March 31, 2017 would have been lower by ₹ 245.02 Crore and General Reserve would have been higher by an equivalent amount. The treatment prescribed under the Scheme override the relevant provisions of Ind AS 1: "Presentation of Financial Statements".

During the financial year ended March 31, 2016, under the Previous GAAP in accordance with the above scheme, the Board of Directors had exercised an option to adjust the foreign exchange / hedging / derivative contracts losses / gains debited / credited to Consolidated Statement of Profit and Loss by a corresponding withdrawal / transfer from / to General Reserve. Accordingly, foreign exchange gain of ₹ 36.72 Crore, foreign exchange loss attributable to finance cost of ₹ 252.50 Crore and loss on derivative contracts of ₹ 27.04 Crore was credited / debited to Consolidated Statement of Profit and Loss and an equivalent amount was transferred to / withdrawn from General Reserve.

However, pursuant to the adoption of Ind AS from April 1, 2016 with the transition date of April 01, 2015, the net exchange gain (net of derivative loss) of ₹ 9.68 Crore for the year 2015-16 turned into a loss of ₹ 158.26 Crore mainly on account of impact of fair valuation of financial instruments including derivative instruments. Since, the Board of Directors had already approved to adjust the foreign exchange losses / gains by equivalent withdrawal / transfer to general reserve it also approved to withdraw the additional exchange loss (including derivative loss) as a result of Ind AS adjustments of ₹ 167.94 Crore debited to the Consolidated Statement of Profit and Loss for the year ended March 31, 2016 from General Reserve.

Had such withdrawal not been done, the Profit before Tax for the year ended March 31, 2016 would have been lower by ₹ 410.76 Crore (including loss of ₹ 252.50 Crore attributable to finance cost) and General Reserve would have been higher by an equivalent amount. The treatment prescribed under the Scheme overrides the relevant provisions of Previous GAAP AS -5 "Net Profit or loss for the period, prior period items and changes in Accounting Policies and Ind AS - 1 "Presentation of Financial Statements".

**29. Scheme of arrangement regarding transfer of operating divisions**

The Board of Directors of the Parent Company at its meeting held on March 16, 2016 approved the Scheme of restructuring envisaging transfer of various operating divisions of the Parent Company, namely Goa Power Station Division, Mumbai Power Division (includes Mumbai Power Distribution, Mumbai Power Transmission and Dahanu Thermal Power Station (DTPS) , Samalkot Power Station Division and Windmill Division (together considered as Power Business) to its wholly owned subsidiary viz Reliance Electric Generation & Supply Private Limited with an appointed date of April 1, 2016.

The Scheme has received approval of Hon'ble Bombay High Court on January 19, 2017. The Parent Company has filed an application on March 16, 2017 for change in effective date of demerger from April 1, 2016 to April 1, 2017 with Hon'ble Bombay High Court. The Scheme will be effective subject to receipt of various approvals. However, as the said Scheme of Arrangement is between the Parent Company and its wholly owned subsidiary, there will be no impact on the Consolidated Financial Statement.

# Reliance Infrastructure Limited

## Notes annexed to and forming part of the Consolidated Financial Statements

**30.** On October 5, 2016, the Parent Company signed Term Sheet with Adani Transmission Limited (ATL) for sale of its assets in Western Region Strengthening Scheme (WRSS) projects and entire investment in subsidiary, Parbati Koldam Transmission Company Limited (PKTCL). On December 6, 2016, the Parent Company executed Share Purchase Agreement with ATL for 100% sale of its WRSS Transmission Assets. The said transfer / sale is subject to various condition precedents and approvals and based on the legal advice received, has not been considered as Non Current Assets held for sale as per IND AS 105 "Non Current Assets held for sale and discontinued operations".

**31.** The Hon'ble High Court of Bombay vide order dated September 08, 2016, approved the Scheme of Amalgamation of Reliance Concrete Private Limited, a wholly owned subsidiary with the Parent Company with effect from March 01, 2016 (the appointed date). The following accounting treatment, inter-alia, has been given effect to the scheme:

Since the amalgamation was with the wholly owned subsidiaries of the Parent Company, there is no impact on Consolidated Financial Statements on account of the accounting treatment prescribed in the Scheme as the transactions get eliminated, except for increase in Capital Reserve by ₹ 1,402.95 Crore.

**32. Investment in Delhi Airport Metro Express Private Limited**

Delhi Airport Metro Express Private Limited (DAMEPL), a subsidiary of the Parent Company, had terminated the Concession Agreement with Delhi Metro Rail Corporation (DMRC) for the Delhi Airport Metro Line and the operations were taken over by DMRC with effect from July 1, 2013. As per the terms of the Concession Agreement, DMRC is now liable to pay DAMEPL a Termination Payment, which is estimated at ₹ 2,823 Crore, as the termination has arisen owing to DMRC's Event of Default. The matter has been referred to arbitration and the arbitration award is awaited. Pending final outcome of the arbitration, the Parent Company continues to fund the statutory and other obligations of DAMEPL post take over by DMRC and accordingly has funded ₹ 279.10 crore during the year ended on March 31, 2017. The total investment made by the Parent Company in DAMEPL upto March 31, 2017 amounts to ₹ 2,339.95 crore. However, as legally advised, DAMEPL's claims for the termination payments are considered fully enforceable.

**33. The Acquisition of Reliance Defence and Engineering Limited (RDEL) (formerly Pipavav Defence and Offshore Engineering Company Limited) through Open Offer**

During the year ended March 31, 2016, Reliance Defence Systems Private Limited (RDSPL) ("the Acquirer") and Parent Company (Person Acting in Concert referred as PAC) made an open offer to the public equity shareholders of RDEL (Target Company) to acquire up to 19,14,13,630 fully paid-up equity shares of face value of ₹ 10 each of RDEL, constituting 26% of the total fully diluted equity share capital at an offer price of ₹ 66 per share (plus ₹ 3.59 per share was paid towards interest at 10% p.a. for delay in payment beyond the scheduled payment date viz. June 15, 2015 as per the original offer till the date of actual payment i.e. December 30, 2015). In terms of the said offer, the Acquirer has acquired 13,87,12,427 shares of RDEL, constituting 18.84% of the voting equity share capital at a total consideration of ₹ 965.30 Crore (including interest of ₹ 49.80 Crore). Subsequently, as per share purchase agreement dated March 4, 2015, the Acquirer also acquired 8,13,90,598 equity shares of RDEL at a total consideration of ₹ 512.76 Crore from erstwhile Promoters of RDEL whereby RDEL has become an associate of RDSPL with holding of 29.90%. During the year ended March 31, 2017, the acquirer has purchased 63,50,000 additional shares of RDEL at a consideration of ₹ 40.01 Crore thereby increasing the holding to 30.76%.

**34.** In accordance with Ind AS 101-First time adoption of Indian Accounting Standards, the Group has opted to continue the policy as prescribed vide the notification dated December 29, 2011 issued by the Ministry of Corporate Affairs. Accordingly, the Group has exercised the option given in paragraph 46A of the Previous GAAP Accounting Standard-11 "The Effects of Changes in Foreign Exchange Rates" of capitalising the foreign exchange loss/gain arising on long term foreign currency monetary items relating to acquisition of depreciable capital assets and depreciating the same over the balance life of such assets and in other cases amortising the foreign exchange loss/gain over the balance period of such long term foreign currency monetary items.

Accordingly, the Group has capitalised foreign exchange difference during the year arising on long term foreign currency monetary items relating to depreciable capital assets of (gain) ₹ (20.04) Crore (March 31, 2016 – Loss of ₹ 43.02 Crore). In other cases, the Group has carried forward the unamortised portion of net gain of ₹ 71.59 Crore as on March 31, 2017 (March 31, 2016 – ₹ 6.97 Crore, April 01, 2015 – ₹ 71.68) Crore) in "Foreign Currency Monetary Item Translation Difference Account" and the same is grouped under 'Other Equity'.



**Notes annexed to and forming part of the Consolidated Financial Statements**
**35. Exceptional Items:**

Particulars	₹ Crore	
	Year ended March 31, 2017	Year ended March 31, 2016
<b>Exceptional items withdrawn from General Reserve pursuant to Scheme of Amalgamation (Refer Note below)</b>		
Write off of EPC Advances as Bad debts	555.58	-
Impairment of Other Intangible Assets for Delhi Airport Metro line	-	355.56
Bad debts of Goa Power Station	-	143.97
<b>(A)</b>	<b>555.58</b>	<b>499.53</b>
<b>Other exceptional items</b>		
(Gain) on sale of Investment in Reliance Cement Company Private Limited (Refer Note No. 8 (c))	(85.58)	-
Project expenses written off – Reliance Sea Link One Private Limited	-	40.94
<b>(B)</b>	<b>(85.58)</b>	<b>40.94</b>
<b>Total Exceptional items (A+B)</b>	<b>470.00</b>	<b>540.47</b>

In terms of Scheme of amalgamation of Reliance Cement Works Private Limited with Western Region Transmission (Maharashtra) Private Limited (WRTM), wholly owned subsidiary of the Parent Company, which was subsequently amalgamated with the Parent Company w.e.f. April 1, 2013, the Board of Directors of the Parent Company during the year ended March 31, 2017 determined an amount of ₹ 555.58 Crore (₹ 499.53 Crore) as Exceptional items being write off certain EPC advances as bad debts, which was debited to the Consolidated Statement of Profit and Loss and an equivalent amount has been withdrawn from General Reserve and credited to the Consolidated Statement of Profit and Loss. Had such withdrawal not been done, the Consolidated Profit before tax for year ended March 31, 2017 would have been lower by ₹ 555.58 Crore (₹ 499.53 Crore) and General Reserve would have been higher by an equivalent amount. The treatment prescribed under the Scheme overrides the relevant provisions of IND AS 1 "Presentation of Financial Statements".

**36. (a) Standby Charges (Parent Company):**

In the matter of liability of ₹ 515.60 Crore of standby charges with the Tata Power Company Limited (TPC) determined by MERC for the period April 1, 1998 to March 31, 2004, which the Parent Company has fully accounted for, the Appellate Tribunal of Electricity (ATE) determined the total liability at ₹ 500 Crore and directed TPC to refund ₹ 354 Crore (inclusive of interest of ₹15 Crore upto March 31, 2004) to the Parent Company plus interest @ 10% p.a. commencing from April 1, 2004 till the date of payment. Against the said order, TPC filed an appeal with the Supreme Court. The Hon'ble Supreme Court passed an interim order dated February 7, 2007 granting stay of the impugned order of the ATE subject to the condition that, TPC furnish a bank guarantee in the sum of ₹ 227 Crore and, in addition, deposit a sum of ₹ 227 Crore with the Registrar General of the Court which may be withdrawn by the Parent Company subject to the Company giving an undertaking that in the event of the appeal being decided against the Parent Company, wholly or in part, the amount as may be found refundable by the Parent Company shall be refunded to TPC without demur together with interest as may be determined by the Court. The Parent Company accordingly withdrew the amount of ₹ 227 Crore after complying with the conditions specified and has accounted the said amount as Other Liabilities pending final adjustment. Moreover, pending final order of the Hon'ble Supreme Court, the Parent Company has not accounted for the reduction in standby charges liability of ₹ 15.60 Crore as well as interest amount determined by ATE as payable by TPC to the Parent Company.

**(b) Take or Pay and Additional Energy Charges (Parent Company):**

Pursuant to the order passed by MERC dated December 12, 2007, in case No. 7 of 2002, TPC has claimed an amount of ₹ 323.87 Crore towards the following:

- Difference in the energy charge for energy supplied by TPC at 220 kV interconnection for the period March 2001 to May 2004 along with interest at 24% per annum up to December 31, 2007, and
- Minimum off-take charges for energy for the years 1998-99 to 1999-2000 along with interest at 24% per annum up to December 31, 2007.

In an appeal filed by the Parent Company, ATE held that the amount in the matter (a) above is payable by the Parent Company along with interest at State Bank of India prime lending rate for short term borrowings. The matter (b) was remanded to MERC for redetermination. The Parent Company has filed an appeal against the said order before the Supreme Court, which while admitting the appeal, has restrained TPC from taking any coercive action in respect of the

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## Notes annexed to and forming part of the Consolidated Financial Statements

matter stated in (a) above and TPC has also filed an appeal against the said order. The Parent Company has complied with the interim order directions of depositing ₹ 25 Crore with the Registrar of Supreme Court and providing a Bank Guarantee of ₹ 9.98 Crore. The said amount is disclosed under Contingent Liability in Note No.22.

### 37. Disclosure pursuant to Indian Accounting Standard (Ind AS) 11 "Construction Contracts"

		₹ Crore		
Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
1	Amount of Contract Revenue Recognised during the year*	<b>1,578.66</b>	2,569.24	2,620.22
2	Aggregate amount of costs incurred and recognised profits (less recognised losses) upto the reporting date*.	<b>39,227.08</b>	40,725.28	39,549.49
3	Amount of customer advances outstanding for contracts in progress	<b>2,129.42</b>	1,688.65	1,923.23
4	Retention amount due from customers for contracts in progress	<b>1,133.62</b>	564.23	2,002.62
5	Gross amount due from customers for contract works as an asset	<b>328.64</b>	441.69	453.40

(\*excluding construction revenue / cost / recognized profits against tolling rights accounted pursuant to Appendix "A" of Ind AS -11).

### 38. Disclosure as required under Ind AS-17:

#### (i) Assets taken on finance lease

The finance lease obligation relate to the 25-year power purchase agreement under which Vidarbha Industries Power Limited, a subsidiary of Reliance Power Limited, sells all of its electricity output of its power plant at Butibori village in Nagpur, Maharashtra (In two units of 300 MW each (thermal power project) to the Group as the sole offtaker.

The effective interest rate implicit in the finance lease was approximately 10.88%.

The following table summarises the reconciliation of lease liabilities in the arrangement:

Particulars	Gross Value of Finance Lease Liabilities			Present Value of Finance Lease Liabilities		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
- Not later than one year	<b>509.47</b>	509.47	509.47	<b>52.66</b>	47.25	42.40
- Later than one year and not later than five years	<b>2,037.87</b>	2,037.87	2,037.87	<b>278.17</b>	249.62	224.38
- Later than five years	<b>8,358.92</b>	8,873.23	9,382.70	<b>3,886.58</b>	3,972.64	4,045.14
<b>Total</b>	<b>10,906.26</b>	11,420.57	11,930.04	<b>4,217.41</b>	4,269.51	4,311.92
Less: future interest	<b>6,688.85</b>	7,151.06	7,618.12			
<b>Present value of minimum lease liabilities</b>	<b>4,217.41</b>	4,269.51	4,311.92			

The lease arrangement is for a non-cancellable period of twenty-five years without the option to purchase the leased plant after that period. The Parent Company makes payment to the lessor variable costs which are in the nature of contingent rental that are recognised in the Consolidated Statement of Profit and Loss amounting to ₹ 1,210.41 Crore (March 31, 2016 ₹ 1,504.54 Crore).

The fair value is determined by discounting projected cash flows using the interest rate yield curve for the remaining term to maturities adjusted for credit spread. The fair value of lease liabilities falls into level 3 of the fair value hierarchy. Refer Note No.46 for fair value disclosure of lease liabilities.

Notes annexed to and forming part of the Consolidated Financial Statements

(ii) Assets given on operating lease

The Group has given following properties under operating lease arrangements:

MMOPL has provided space on operating lease for a period from 1 – 15 years with a non-cancellable period at the beginning of the agreement ranging from 1 – 5 years.

Such assets are reported under property, plant and equipment. Lease income from operating leases is not straight-lined and recorded as per the contractual terms as the lease rentals are structured to compensate for expected general inflation.

The following is the summary of future minimum lease rental receivable under non cancellable operating lease arrangement entered into by the Group

**Operating leases: future minimum lease receipts under non cancellable leases**

Particulars	₹ Crore		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
- Not later than one year	8.53	20.45	16.72
- Later than one year and not later than five years	10.79	19.20	21.90
- Later than five years	-	-	-

(iii) Assets taken on Operating Lease:

Disclosure as required under Ind AS – 17 "Accounting for Leases" is given below :

- The Group has entered into cancellable / non-cancellable leasing agreement for office, residential and warehouse premises renewable by mutual consent on mutually agreeable terms.
- Future minimum lease payments under non-cancellable operating lease are as under:

Particulars	Lease Rental Debited to Consolidated Statement of Profit and Loss (Cancellable and Non cancellable)	Future Minimum Lease Rentals			Period of Lease*
		Less Than 1 Year	Between 1 to 5 Years	More than 5 Years	
Office Premises and Warehouses	49.75	2.75	2.89	0.22	Various

\*The Lease terms are renewable on a mutual consent of Lessor and Lessee. The lease rentals have been included under the head "Rent" under Note No. "18 – Other Expenses".

**39. Disclosure under Ind AS 19 "Employee Benefits":**

**Post-employment obligations**

**Defined contribution plans**

The Group has following defined contribution plans:

- Provident fund
- Superannuation fund
- State defined contribution plans
  - Employer's contribution to Employees' state insurance
  - Employer's Contribution to Employees' Pension Scheme 1995

The provident fund and the state defined contribution plan are operated by the regional provident fund commissioner and the superannuation fund is administered by the Trustees of respective schemes of the companies. Under the schemes, respective companies are required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits. These funds are recognized by the Income tax authorities. The obligation of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation. However in case of employees of erstwhile DVB (presently employees of BRPL and BYPL) in accordance with the stipulation made by GoNCTD, in its notification dated January 16, 2001, the contributions on account of the general provident fund, pension, gratuity and earned leave as per the Financial Rules and Service Rules applicable in respect of the employees of the erstwhile DVB, is accounted for on due basis and are paid to the DVB –ETBF 2002.

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The Group has recognised the following amounts as expense in the Consolidated Financial Statements for the year:

Particulars	₹ Crore	
	Year ended March 31, 2017	Year ended March 31, 2016
Contribution to Provident Fund	61.00	51.93
Contribution to Employees Superannuation Fund	42.13	32.08
Contribution to Employees Pension Scheme	44.95	42.59
Contribution to Employees State Insurance	-	0.02

### Defined benefit plans

#### (i) Provident Fund (Applicable to certain Employees)

The benefit involving employee established provident funds, which require interest shortfall to be recompensated are to be considered as defined benefit plans. As per the Audited Accounts of Provident Fund Trust maintained by the Company, the shortfall arising in meeting the stipulated interest liability, if any, gets duly provided for.

#### (ii) Gratuity

The Company operates a gratuity plan administered by various insurance companies. Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972 or Company scheme whichever is beneficial. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service.

Particulars	2016-17	2015-16
<b>Assumptions :</b>		
Expected Return on Plan Assets	6.68% to 7.75%	7.85% to 8.25%
Rate of Discounting	6.68% to 7.75%	7.80% to 8.25%
Rate of Salary Increase	5.50% to 10.00%	5.50% to 9.50%
Rate of Employee Turnover	1.00% to 10.00%	1.00% to 5.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality Rate After Employment	N.A.	N.A.
	₹ Crore	₹ Crore
<b>Change in the Present Value Of Defined Benefit Obligation</b>		
Present value of Benefit Obligation at the beginning of the year	502.36	436.71
Liability Transferred Out	-	(0.54)
Liability Transferred In	0.59	0.77
Interest Cost	38.87	34.52
Current Service Cost	30.70	39.17
Benefit Paid Directly by the Employer	(23.61)	(21.43)
Benefit Paid From the Fund	(1.58)	(1.23)
Actuarial Losses on Obligation- Due to Change in Financial Assumptions	41.62	25.63
Actuarial (Gain)/Losses on Obligation- Due to Change in Demographic Assumptions	0.60	(6.75)
Actuarial Losses on Obligation-Due to Experience	5.79	(6.01)
Actual return on plan assets less interest on plan assets	0.96	1.52
<b>Present Value of Benefit Obligation at the End of the year</b>	<b>596.30</b>	<b>502.36</b>
<b>Change in the Fair Value of Plan Assets</b>		
Fair Value of Plan Asset at the beginning of the year	397.90	381.17
Asset Transferred In/Out	1.43	0.10
Asset Transferred Out/Divestment	(1.20)	-
Interest Income	30.47	29.44
Benefit Paid From the Fund	(1.08)	(0.51)
Benefit Paid Directly by the Employer	(0.39)	(0.73)
Contribution by the Employer	7.35	2.55
Return on Plan Assets Excluding Interest Income	15.22	(13.53)
Actuarial Losses - Due to Experience	0.90	(0.59)
<b>Fair Value of Plan Asset at the End of the year</b>	<b>450.60</b>	<b>397.90</b>
<b>Amount Recognised in the Consolidated Balance Sheet</b>		

Notes annexed to and forming part of the Consolidated Financial Statements

Particulars	2016-17	2015-16
Present Value of Benefit Obligation at the End of the year	596.31	502.36
Fair Value of Plan Assets at the end of the year	450.61	397.90
<b>Funded Status (Deficit)</b>	<b>(145.70)</b>	<b>(104.46)</b>
Amount not recognized as asset (asset ceiling)	-	-
<b>Net (Liability) Recognized in the Consolidated Balance Sheet</b>	<b>145.70</b>	<b>104.46</b>
<b>Expenses Recognized in the Consolidated Statement of Profit and Loss</b>		
Current Service Cost	30.70	39.17
Net Interest Cost	8.40	5.08
<b>Expenses Recognised</b>	<b>39.10</b>	<b>44.25</b>
<b>Expenses Recognised in Other Comprehensive Income (OCI)</b>		
Actuarial Losses on Obligation for the year	47.08	13.12
Return on Plan Assets Excluding Interest Income	(14.26)	15.05
<b>Net Expenses for the Period Recognised in OCI</b>	<b>32.82</b>	<b>28.17</b>
<b>Major Categories of plan asses as a percentage of total</b>		
Insurance Fund	100%	100%
<b>Prescribed Contribution For Next Year</b>	<b>33.19</b>	<b>32.31</b>
<b>Maturity Analysis of Project Benefit Obligation : From Fund</b>		
Projected Benefit in Future Years From Date of Reporting		
Within next 12 months	62.81	46.31
Between 2 to 5 years	171.50	118.53
Between 6 to 10 years	254.85	199.33
Beyond 10 years	86.05	136.40
<b>Sensitivity Analysis</b>		
Present value of Defined Benefits Obligation at the end of the year	596.31	502.37
<b>Assumptions - Discount Rate</b>		
<b>Sensitivity Level</b>	<b>0.50% to 1.00%</b>	0.50% to 1.00%
Impact on defined benefit obligation -in % increase	(2.53%) to (8.21%)	(2.41%) to (8.23%)
Impact on defined benefit obligation -in % decrease	2.79% to 9.19%	2.66% to 7.39%
<b>Assumptions - Future Salary Increase</b>		
<b>Sensitivity Level</b>	<b>0.50% to 1.00%</b>	0.50% to 1.00%
Impact on defined benefit obligation -in % increase	2.76% to 9.10%	2.65% to 7.20%
Impact on defined benefit obligation -in % decrease	(2.42%) to (8.21%)	(2.41%) to (8.34%)

#### 40. Disclosure on Specified Bank Notes (SBNs)

During the year, the Group had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the details of SBNs and other notes as per the notification is given below:

₹ Crore			
Particulars	Specified Bank Notes	Other Denomination Notes	Total
<b>Closing Cash in Hand as on November 08,2016</b>	<b>15.24</b>	<b>0.27</b>	<b>15.51</b>
(+) Permitted Receipts	398.00	163.56	561.56
(-) Permitted Payments	-	-	-
(-) Amount Deposited in Bank	413.24	155.60	568.84
<b>Closing Cash in Hand as on December 30, 2016</b>	<b>-</b>	<b>8.23</b>	<b>8.23</b>

### 41. Notes related to BRPL and BYPL (as per respective financial statements):

- (a) Both the Companies have conducted physical verification of its major fixed assets as per its policies. Necessary adjustments for retirement would be carried out after reconciliation and obtaining the approval of DERC. Accordingly, in case of BRPL an amount of ₹ 33.41 Crore (₹ 34.51 Crore) and in case of BYPL ₹ 10.61 Crore (₹ 10.61 Crore) is lying under provision for retirement of fixed assets.

(b) **Transfer Schemes:**

- (i) The amount of Consumer Security Deposit (CSD) transferred to both the companies by virtue of Part II of Schedule E of the Transfer Scheme was ₹ 11 Crore in case of BRPL and ₹ 8 Crore in case of BYPL. The Transfer Scheme as well as erstwhile DVB did not furnish the consumer wise details of the amount transferred to it as CSD. Both the Companies have compiled from the consumer records the amount of CSD as on June 30, 2002, which works out to ₹ 90.43 Crore in case of BRPL and ₹ 35.38 Crore in case of BYPL. The management of both the Companies are of the opinion that its liability towards CSD is limited to ₹ 11 Crore in case of BRPL and ₹ 8 Crore in case of BYPL, as per the Transfer Scheme. Therefore the liability towards refund of consumer deposits in excess of ₹ 11 Crore in case of BRPL and ₹ 8 Crore in case of BYPL and interest thereon has not been accounted for in the books of the respective companies. They have also filed a writ petition with the High court of Delhi during the year 2004-05 with the DERC to deal with the actual amount of CSD as on the date of transfer. DERC during the year 2007-08 had advised the GoNCTD to transfer the differential amount of deposits to BRPL and BYPL. However GoNCTD did not abide by the advice and hence both the companies have filed writ petition and the case is pending before High Court of Delhi. In the last hearing held, the matter was placed in the category of 'Rule' matters and the case shall get listed in due course.
- (ii) As per notification dated April 18, 2007 issued by DERC, interest @ 6% per annum is payable on CSD received from all consumers. Accordingly, BRPL and BYPL have provided for interest amounting ₹ 48.62 Crore (₹ 38.89 Crore) and ₹ 25.77 Crore (₹ 25.00 Crore) respectively on consumer security deposit of regular consumers. The Companies are of the view that the interest on CSD in excess of the amount as per the Transfer Scheme i.e. ₹ 11 Crore in case of BRPL and ₹ 8 Crore in case of BYPL, would be recoverable from Delhi Power Company Limited (DPCL) if the contention is upheld by the High Court of Delhi.

(c) **NTPC and other Generators dues:**

BRPL and BYPL have received a notice from NTPC Ltd. on February 1, 2014 for regulation (suspension) of power supply due to delay in power purchase payments. Both the companies have filed a petition in the Hon'ble Supreme Court praying for keeping the regulation notice in abeyance, giving suitable direction to DERC to provide cost reflective tariff and to give a roadmap for liquidation of the accumulated Regulatory Assets. In the interim Order dated March 26, 2014 & May 6, 2014, the Hon'ble Supreme Court had directed both the companies to pay its current dues (w.e.f. January 1, 2014) by May 31, 2014 failing which the generating / transmission companies may regulate supply. On July 3, 2014 the court took note that both the companies paid 100% payment of its current dues. All contentions and disputes were kept open to be considered later. Further, direction was made to pay the recurring amount as per earlier Orders dated March 26, 2014 & May 6, 2014. In the meantime, an application has been filed before Hon'ble Supreme Court seeking modification of aforesaid Orders so as to allow both the companies to pay 70% of the current dues. All arguments were concluded on February 18 and 19, 2015. Judgment is reserved.

Delhi Power Utilities had filed contempt case in January 2015 against Senior Officials of the Company alleging non compliance of the Supreme Court regarding payment off the dues. No notice has been issued so far, however, on an interim application filed by them praying for payment of outstanding dues, notice was issued in December 2015. Thereafter, the matter was listed on few occasions but was simply adjourned. However, on May 12, 2016, the Court directed the the Company to pay 70 % of the current dues till further orders. New contempt petitions have been filed by Delhi power utilities in November 2016 alleging non compliance of order dated May 12, 2016. No notice has been issued so far. Thereafter, the matter was listed on various dates, last hearing being on April 07, 2017. Next date of hearing is April 24, 2017.

(d) **Audit by The Comptroller and Auditor General of India:**

Pursuant to the letter dated January 7, 2014 by Department of Power (GoNCTD), The Comptroller Auditor General of India has commenced audit of all the three electricity distribution companies of Delhi w.e.f. January 27, 2014. BRPL and BYPL (BSES discoms) has filed a writ petition in the Hon'ble High Court praying for staying the said audit, however, the said prayer has been declined by the Court. BSES discoms has filed an appeal before the Division Bench of High Court against the said Order. Both writ petition and appeal have been tagged together along with PIL (Public Interest Litigation) filed by United Resident Welfare Association (URWA) on the same matter. All arguments were concluded on March 4, 2015.

In August / September 2015, BSES discoms filed interim applications in aforesaid appeals requesting for directions to CAG to not share the draft audit report with any third party and the same cannot be cited or acted upon in any manner whatsoever. CAG counsel submitted that they will take no action on the basis of the same. Further, consolidated draft report of all discoms was furnished by CAG to BSES discoms pursuant to direction of the Court.

**Notes annexed to and forming part of the Consolidated Financial Statements**

Another set of applications were filed seeking breakup of alleged loss etc. as stated in draft audit report and stay on Exit Conference. The same were listed on October 1, 2015. The Court did not grant any stay on holding of Exit conference and stated that the replies be submitted on whatever material is available to BSES discoms and seek additional details in the Exit conference and apprise the court on the next date of hearing i.e. October 15, 2015.

On October 15, 2015, BSES discoms apprised the court that 1100 pages have been provided for the first time at the Exit Conference held in October 2015 and time is required to respond for the same. CAG counsel stated that this information has been shared in the past during the Audit process and therefore it is not a new information. The Court, after hearing the parties, recorded the submission and said that similar matter in the case of Tata Power Delhi Distribution Limited (TPDDL) is coming up on October 30, 2015. These applications along with the matter would be listed along with Writ on October 30, 2015.

The Court has also granted the time to the Company till October 30, 2015 to respond to the documents provided at the Exit Conference, if it so desires. The matter was listed for October 30, 2015 and Hon'ble Court has pronounced its judgement, wherein Hon'ble court has concluded with "directions to set aside all actions taken pursuant to the January 7, 2014 order and all acts undertaken in pursuance thereof are infructuous".

CAG, GoNCTD and URWA have filed an appeal against the Hon'ble court judgement and the matter was listed on January 18, 2016, wherein notices were issued. BSES discoms have submitted their replies. Matter was last listed on July 25, 2016 and court directed the parties to complete the pleadings. The case was slated to be heard on October 19, 2016, but it did not figure in the cause list, hence, did not get listed on that date. Last hearing was on December 07, 2016, when parties were given further four weeks to complete the pleadings. Matter was listed on various occasions in February/ March 2017, last hearing being on March 09, 2017. The Court has reserved its order on the issue whether it would like to hear the matter or transfer it to the constitutional bench where matter between GONCTD powers vis-à-vis LG powers is pending.

- (e) Delhi Electricity Regulatory Commission (DERC) issued its Tariff Order on September 29, 2015 to BRPL and BYPL, whereby it has trued up the revenue gap upto March 31, 2014 with certain dis-allowances. The Discoms have preferred appeal against the Order before Appellate Tribunal for Electricity (APTEL). Based on the legal opinion, the impact of such disallowances, which are subject matter of appeal, has not been considered in the computation of regulatory asset in the financial statement of FY 2015-16 and FY 2016-17.

**42. Project Status:**

**(a) Project Restructuring in case of CBD Tower Private Limited (CBDTPL)**

CBDTPL had signed a development agreement dated May 28, 2008 with Andhra Pradesh Industrial Infrastructure Limited (APIIC) for the development of trade tower and business district in Hyderabad, which CBDTPL, after development intends to lease out to the intended users. To mitigate the risk of the project due to economic slowdown, recession and uncertainty in real estate market, the Board of Directors of CBDTPL approved and submitted a plan to APIIC to restructure the project in three categories – financial restructuring, restructuring of project development framework and restructuring of project implementation. Material proposals approved by APIIC includes waiver of development premium payable @ 12% p.a. on the unpaid balance towards cost of land up to March 31, 2012 and decrease in the rate of interest on debentures to 2% p.a. up to March 31, 2014. APIIC also recommended appointment of an independent third party consultant to comment on the approved restructuring proposal.

APIIC also approved certain consequential issues, like effective date being date of signing of amended agreement and mechanism for land transfer for constructing trade tower, permitting construction of business district prior to construction of trade tower and permitting consortium to dilute its equity from 51% to 26% three years after the financial closure of trade tower.

Further supplementary demands have been made to APIIC and requested for continuing the waivers / concessions until signing of amendment agreements and extension of timelines, corresponding to delay period, for all payment and project obligations. Independent consultant submitted its report and recommended in favour of restructuring including supplementary demands. A sub-committee, appointed by APIIC, approved the Independent consultant's recommendations. APIIC has intimated that they have agreed with the findings of the sub-committee and Independent consultant's recommendations.

After the bifurcation of state and creation of Telangana State, the project came under Telangana State jurisdiction. The Government of Telangana (GoT) then constituted a Committee of Secretaries (CoS), empowering it to take final decision on the recommendations of TSIIC Board read with consultant report.

Post the presentation made on November 13, 2015 by the Company and Consultant, Chief Secretary asked the CBDTPL to formally put up a letter summarizing all the demands with reasons and the same was submitted to CoS on November 20, 2015. CoS then asked TSIIC to furnish self contained note flagging all the pending issues to be decided by CoS which was accordingly submitted by them. TSIIC again sent a detailed self explanatory note with recommendations to GoT for decision. Thereafter CBDTPL had a meeting with Minister (MA&UD & IT & Industries) along with his senior



officials in July 2016 wherein he assured a favorable communication shortly. Due to delay in communication, in December 2016 CBDTPL again had a meeting with Principal Secretary (I&C) with a request to expedite the approval of Restructuring, which has been duly appreciated by the Minister and CoS. Immediate communication was assured.

In view of above substantive development on the proposal of CBDTPL for restructuring with the Government of Telangana, CBDTPL has not made provision for (a) Development Premium of ₹ 175.55 Crore @ 12% p.a compounded annually on ₹ 230.27 Crore balance land cost payment of module- II and (b) Interest of ₹ 63.68 Crore on Debentures, both for the period from April 01, 2012 to March 31, 2017, as per the existing agreements.

**(b) Project status of Samalkot Power Limited (SMPL, a Subsidiary of Reliance Power Limited, an associate) :**

In respect of 1508 MW, there is continued uncertainty regarding availability of natural gas in the country for operation of the plant, and while the SMPL is actively pursue with relevant authorities for securing gas linkages / supply, it is also evaluating alternative arrangements / approaches to deal with the situation. SMPL is confident of arriving at a positive resolution to the foregoing in the foreseeable future and therefore the carrying amount of CWIP is considered recoverable.

Subsequent to year end, Reliance Bangladesh LNG and Power Limited (RLNG), a Group company, has finalized Power Purchase Agreement (PPA), Implementation agreement (IA) and Land Lease Agreement (LLA) for 745 MW Power Project and is finalizing the agreement for the LNG terminal. For balance two modules (1508 MW), SMPL is actively pursuing allocation of gas linkage at commercially viable prices / generation opportunities and is also evaluating alternative arrangements / various approaches to deal with the situation arising from the continued uncertainty as to the availability of natural gas supply.

Considering above plans, including relocation of unused assets acquired for SMPL to Bangladesh project and support from the Reliance Power Limited, SMPL would be able to meet its financial obligation and has prepared its financial statements on a going concern basis.

**(c) Project Status of NKTCL and TTCL:**

- i) The NKTCL and TTCL had approached Central Electricity Regulatory Commission (CERC) for allowing tariff revision and Force Majeure due to delay in grant of clearance u/s 164 of Electricity Act (EA). CERC notified an unfavorable order which was later challenged by NKTCL and TTCL in Appellate Tribunal for Electricity (ATE). ATE allowed the appeal filed by company and set aside the unfavorable CERC order. Pursuant to the ATE Order, written requests were sent to the beneficiaries seeking (i) Re-fixation of implementation time of the Project and (ii) to increase Tariff to the tune of 90% in TTCL and 160% in NKTCL.

Three beneficiaries have appealed against the order of ATE in the Supreme Court of India and notices are being served on all the beneficiaries of the project for filing petition. All the petitions filed by beneficiaries have been clubbed together by Supreme Court. The petition has been admitted and next hearing is awaited.

- ii) Revocation of Licence:

CERC reopened Power Grid Corporation of India Limited's (PGCIL) petition seeking revocation of license of the NKTCL and TTCL and transfer the project to PGCIL on cost plus model at risk and cost of Reliance Power Transmission Limited i.e. holding company of NKTCL and TTCL. CERC issued Order on NKTCL and TTCL for compliance of certain conditions within a stipulated time frame or else its license would be revoked. Based on the Order of CERC, the NKTCL and TTCL filed an appeal to ATE challenging CERC Order. ATE rejected the Implementation Agreement (IA) meant for stay but allowed the appeal. NKTCL and TTCL filed an appeal in Supreme Court against ATE's rejection of IA meant for stay. Based on the appeal filed by NKTCL and TTCL, the Supreme Court has given a stay order directing no coercive action to be taken by CERC. On August 12, 2016 the Supreme Court has disposed off the appeal and directed ATE to decide on the Appeal. Next hearing date is schedule

The matter for non grant of stay order by ATE is pending before Supreme Court and the appeal against the CERC Order for revocation of license is pending before the ATE.

- iii) NKTCL and TTCL has filed a letter on January 14, 2014 requesting for extension of licence u/s 68 of Electricity Act 2003 to Ministry of Power (MoP). Pending the said approval, Transmission Service Agreement (TSA) would not become operative.

**Notes annexed to and forming part of the Consolidated Financial Statements**
**43. Interests in other entities**
**(a) Subsidiaries**

The Group's subsidiaries at March 31, 2017 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly either by Parent Company or its subsidiaries / the Group and the proportion of ownership interests held equals the voting rights held by the Group either through equity shares, management agreement or structure of the entity. The country of incorporation or registration is also their principal place of business.

Name of entity	Principal activities	Place of business/ country of incorporation	Controlling Interest held by the Group			Non-controlling Interest		
			As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
			%	%	%	%	%	%
BSES Rajdhani Power Limited	Power distribution	India	51.00	51.00	51.00	49.00	49.00	49.00
BSES Yamuna Power Limited	Power distribution	India	51.00	51.00	51.00	49.00	49.00	49.00
BSES Kerala Power Limited	Power generation	India	100.00	100.00	100.00	-	-	-
Reliance Power Transmission Limited	Power transmission	India	100.00	100.00	100.00	-	-	-
Parbati Koldam Transmission Company Limited	Power transmission	India	74.00	74.00	74.00	26.00	26.00	26.00
Mumbai Metro One Private Limited	Metro rail concession	India	69.00	69.00	69.00	31.00	31.00	31.00
Mumbai Metro Transport Private Limited	Metro rail concession	India	48.00	48.00	48.00	52.00	52.00	52.00
Delhi Airport Metro Express Private Limited	Metro rail concession	India	95.00	95.00	95.00	5.00	5.00	5.00
Tamilnadu Industries Captive Power Company Limited	Power generation	India	33.70	33.70	33.70	66.30	66.30	66.30
Reliance Sea Link One Private Limited	Sea link concession	India	90.00	90.00	90.00	10.00	10.00	10.00
SU Toll Road Private Limited	Toll road concession	India	100.00	100.00	100.00	-	-	-
TD Toll Road Private Limited	Toll road concession	India	100.00	100.00	100.00	-	-	-
TK Toll Road Private Limited	Toll road concession	India	100.00	100.00	100.00	-	-	-
DS Toll Road Limited	Toll road concession	India	100.00	100.00	100.00	-	-	-
NK Toll Road Limited	Toll road concession	India	100.00	100.00	100.00	-	-	-
GF Toll Road Private Limited	Toll road concession	India	100.00	100.00	100.00	-	-	-
JR Toll Road Private Limited	Toll road concession	India	100.00	48.00	48.00	-	52.00	52.00
PS Toll Road Private Limited	Toll road concession	India	74.00	74.00	74.00	26.00	26.00	26.00
KM Toll Road Private Limited	Toll road concession	India	100.00	100.00	100.00	-	-	-
HK Toll Road Private Limited	Toll road concession	India	100.00	100.00	100.00	-	-	-
DA Toll Road Private Limited	Toll road concession	India	100.00	100.00	100.00	-	-	-
Nanded Airport Private Limited	Airport concession	India	100.00	100.00	100.00	-	-	-
Baramati Airport Private Limited	Airport concession	India	100.00	100.00	100.00	-	-	-
Latur Airport Private Limited	Airport concession	India	100.00	100.00	100.00	-	-	-
Yavatmal Airport Private Limited	Airport concession	India	100.00	100.00	100.00	-	-	-
Osmanabad Airport Private Limited	Airport concession	India	100.00	100.00	100.00	-	-	-
Reliance Airport Developers Private Limited	Airport concession	India	100.00	100.00	100.00	-	-	-
CBD Tower Private Limited	Trade tower and business district construction	India	89.00	89.00	89.00	11.00	11.00	11.00

# Reliance Infrastructure Limited

## Notes annexed to and forming part of the Consolidated Financial Statements

Name of entity	Principal activities	Place of business/ country of incorporation	Controlling Interest held by the Group			Non-controlling Interest		
			As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
			%	%	%	%	%	%
Reliance Energy Trading Limited	Sale and purchase of electricity from exchanges, bilateral and barter system	India	100.00	100.00	100.00	-	-	-
Reliance Cement Company Private Limited	Cement manufacture	India	-	100.00	100.00	-	-	-
Reliance Cement Corporation Private Limited	Cement manufacture	India	100.00	100.00	100.00	-	-	-
Reliance Electric Generation and Supply Private Limited (Formerly known as Tulip Realtech Private Limited)	Power, generation, transmission and distribution	India	100.00	100.00	100.00	-	-	-
Utility Infrastructure & Works Private Limited	Engineering, Procurement and Construction	India	100.00	100.00	100.00	-	-	-
Reliance Defence Systems Private Limited	Defence systems manufacture	India	100.00	100.00	100.00	-	-	-
Reliance Defence Technologies Private Limited	Defence systems manufacture	India	100.00	100.00	100.00	-	-	-
Reliance Defence and Aerospace Private Limited	Defence systems manufacture	India	100.00	100.00	100.00	-	-	-
Reliance Defence Limited	Defence systems manufacture	India	100.00	100.00	100.00	-	-	-
Reliance Defence Infrastructure Limited	Defence systems manufacture	India	100.00	100.00	-	-	-	-
Reliance SED Limited	Defence systems manufacture	India	100.00	100.00	-	-	-	-
Reliance Propulsion Systems Limited	Defence systems manufacture	India	100.00	100.00	-	-	-	-
Reliance Defence Systems and Tech Limited (formerly Reliance Space Limited)	Defence systems manufacture	India	100.00	100.00	-	-	-	-
Reliance Helicopters Limited	Defence systems manufacture	India	100.00	100.00	-	-	-	-
Reliance Land Systems Limited	Defence systems manufacture	India	100.00	100.00	-	-	-	-
Reliance Naval Systems Limited	Defence systems manufacture	India	100.00	100.00	-	-	-	-
Reliance Unmanned Systems Limited	Defence systems manufacture	India	100.00	100.00	-	-	-	-
Reliance Aerostructure Limited	Defence systems manufacture	India	100.00	100.00	-	-	-	-
Reliance Cruise and Terminals Limited (formerly Reliance Defence Ventures Limited )	Defence systems manufacture	India	100.00	100.00	-	-	-	-
Dassault Reliance Aerospace Limited	Defence systems manufacture	India	51.00	-	-	49.00	-	-
Reliance Rafael Defence Systems Private Limited	Defence systems manufacture	India	100.00	-	-	-	-	-
North Karanpura Transmission Company Limited	Power transmission	India	100.00	100.00	100.00	-	-	-
Talcher II Transmission Company Limited	Power transmission	India	100.00	100.00	100.00	-	-	-

Notes annexed to and forming part of the Consolidated Financial Statements

Name of entity	Principal activities	Place of business/ country of incorporation	Controlling Interest held by the Group			Non-controlling Interest		
			As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
			%	%	%	%	%	%
Reliance Concrete Private Limited	Cement manufacture	India	-	100.00	100.00	-	-	-
Reliance Delhi Metro Trust	Beneficiary Trust	India	100.00	100.00	100.00	-	-	-
Reliance Toll Road Trust	Beneficiary Trust	India	100.00	100.00	100.00	-	-	-
Reliance Smart Cities Limited	Smart city construction	India	100.00	100.00	100.00	-	-	-
Reliance E-Generation and Management Private Limited	Power, generation, transmission and distribution	India	100.00	100.00	100.00	-	-	-
Reliance Energy Limited	Power generation, operations & maintenance of power stations and power trading	India	100.00	100.00	100.00	-	-	-
Space Trade Enterprises Private Limited	Trading and Investment	India	NA	100.00	100.00	-	-	-
Spice Commerce and Trade Private Limited	Trading and Investment	India	NA	100.00	100.00	-	-	-
Skyline Global Trade Private Limited	Trading and Investment	India	NA	100.00	100.00	-	-	-
Western Transco Power Limited	Commissioning, setting up, operating and maintaining electric power transmission systems.	India	100.00	NA	NA	-	-	-
Western Transmission (Gujarat) Limited	Commissioning, setting up, operating and maintaining electric power transmission systems.	India	100.00	NA	NA	-	-	-
Reliance Infra Solutions Private Limited	Power, generation, transmission and distribution	India	100.00	NA	NA	-	-	-
Worldcom Solutions Limited	Trading and Investment	India	NA	100.00	100.00	-	-	-
Hirma Power Limited	Trading and Investment	India	NA	100.00	100.00	-	-	-
Jayamkondam Power Limited	Trading and Investment	India	NA	100.00	100.00	-	-	-
Reliance Thermal Energy Limited	Trading and Investment	India	NA	100.00	100.00	-	-	-
Nodia Global SEZ Private Limited	Trading and Investment	India	NA	100.00	100.00	-	-	-
Globetech Advisory Services Limited	Trading and Investment	India	NA	100.00	100.00	-	-	-

**Significant judgement: consolidation of entities with less than 50% voting interest**

The management has concluded that the Group controls certain entities, even though it holds less than half of the voting rights of these subsidiary. This is because these entities are designed to operate in a manner that does not regard voting rights to be significant in managing these entities. Also these entities derive virtually all their funding from Parent Company resulting in economic exposure coupled with ability to use the power to control the economic exposure has allowed these entities to be assessed as subsidiaries.

# Reliance Infrastructure Limited

## Notes annexed to and forming part of the Consolidated Financial Statements

### (b) Non-controlling interests (NCI)

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations and after policy difference adjustments.

#### i) Summarised balance sheet

								₹ Crore
Entities	Current assets	Current liabilities	Net current assets/(liabilities)	Non-current assets	Non-current liabilities	Net non-current assets/(liabilities)	Net assets	Accumulated NCI (after elimination)
<b>BSES Rajdhani Power Limited</b>								
<b>March 31, 2017</b>	<b>1,423.61</b>	<b>10,714.27</b>	<b>(9,290.66)</b>	<b>13,392.91</b>	<b>1,993.40</b>	<b>11,399.52</b>	<b>2,108.86</b>	<b>1,033.34</b>
March 31, 2016	1,394.65	9,780.61	(8,385.96)	12,948.93	2,513.47	10,435.46	2,049.50	1,004.26
April 1, 2015	1,229.95	9,260.46	(8,030.51)	13,309.46	3,220.30	10,089.15	2,058.64	1,008.74
<b>BSES Yamuna Power Limited</b>								
<b>March 31, 2017</b>	<b>587.00</b>	<b>8,757.50</b>	<b>(8,170.50)</b>	<b>10,213.04</b>	<b>1,073.93</b>	<b>9,139.11</b>	<b>968.60</b>	<b>474.62</b>
March 31, 2016	791.34	8,428.40	(7,637.06)	9,906.21	1,319.36	8,586.85	949.79	465.40
April 1, 2015	762.20	7,599.71	(6,837.51)	9,645.87	1,849.84	7,796.03	958.52	469.68
<b>Mumbai Metro One Private Limited</b>								
<b>March 31, 2017</b>	<b>16.75</b>	<b>857.15</b>	<b>(840.40)</b>	<b>3,045.72</b>	<b>1,957.01</b>	<b>1,088.71</b>	<b>248.31</b>	<b>(142.33)</b>
March 31, 2016	12.99	710.67	(697.68)	3,156.65	1,937.15	1,219.50	521.82	(57.57)
April 1, 2015	262.28	907.47	(645.19)	3,239.85	1,826.97	1,412.88	767.69	31.09
<b>PS Toll Road Private Limited</b>								
<b>March 31, 2017</b>	<b>48.06</b>	<b>114.30</b>	<b>(66.24)</b>	<b>3,582.68</b>	<b>1,990.83</b>	<b>1,591.85</b>	<b>1,525.61</b>	<b>116.33</b>
March 31, 2016	25.93	133.54	(107.61)	3,385.19	1,987.99	1,397.20	1,289.59	119.91
April 1, 2015	39.56	138.98	(99.42)	2,853.11	1,633.70	1,219.41	1,119.99	93.39

#### ii) Summarised Statement of Profit and Loss

						₹ Crore
Entities	Revenue	Profit / (Loss) for the year	Other Comprehensive Income	Total Comprehensive Income	Profit / (Loss) allocated to NCI	Dividends paid to NCI
<b>BSES Rajdhani Power Limited</b>						
<b>March 31, 2017</b>	<b>9,323.30</b>	<b>59.22</b>	<b>0.08</b>	<b>59.30</b>	<b>29.06</b>	-
March 31, 2016	8,804.59	(9.14)	0.00	(9.14)	(4.48)	-
<b>BSES Yamuna Power Limited</b>						
<b>March 31, 2017</b>	<b>5,190.19</b>	<b>18.78</b>	<b>0.05</b>	<b>18.83</b>	<b>9.23</b>	-
March 31, 2016	5,300.94	(9.15)	0.08	(9.07)	(4.44)	-
<b>Mumbai Metro One Private Limited</b>						
<b>March 31, 2017</b>	<b>241.00</b>	<b>(273.49)</b>	<b>(0.01)</b>	<b>(273.50)</b>	<b>(84.79)</b>	-
March 31, 2016	219.49	(285.92)	(0.07)	(285.98)	(88.66)	-
<b>PS Toll Road Private Limited</b>						
<b>March 31, 2017</b>	<b>424.72</b>	<b>(13.75)</b>	<b>(0.23)</b>	<b>(13.98)</b>	<b>(3.63)</b>	-
March 31, 2016	623.73	101.97	(0.10)	101.87	26.49	-

**Notes annexed to and forming part of the Consolidated Financial Statements**
**iii) Summarised Statement of Cash flows**

	₹ Crore			
Entities	Cash flows generated from / (used) Operating Activities	Cash flows generated from / (used) Investing Activities	Cash flows generated from / (used) Financing Activities	Net increase/ (decrease) in Cash and Cash Equivalents
<b>BSES Rajdhani Power Limited</b>				
<b>March 31, 2017</b>	<b>2,435.92</b>	<b>(392.13)</b>	<b>(1,876.16)</b>	<b>167.64</b>
March 31, 2016	2,258.92	(236.52)	(2,022.34)	0.06
<b>BSES Yamuna Power Limited</b>				
<b>March 31, 2017</b>	<b>1,177.96</b>	<b>(198.12)</b>	<b>(986.16)</b>	<b>(6.33)</b>
March 31, 2016	1,465.23	(222.88)	(1,251.24)	(8.89)
<b>Mumbai Metro One Private Limited</b>				
<b>March 31, 2017</b>	<b>95.16</b>	<b>(10.49)</b>	<b>(86.44)</b>	<b>(1.77)</b>
March 31, 2016	35.91	51.92	(249.50)	(161.68)
<b>PS Toll Road Private Limited</b>				
<b>March 31, 2017</b>	<b>179.89</b>	<b>(349.62)</b>	<b>178.85</b>	<b>9.12</b>
March 31, 2016	174.43	(472.11)	293.21	(4.46)

**(c) Transactions with Non-Controlling interest**

The Group acquired additional stake of 52% in JR Toll Road Limited on January 24, 2017. Immediately prior to the purchase, the carrying amount of the existing 52% of non-controlling interest was ₹ NIL. The Group recognised a decrease in non-controlling interests of ₹ NIL and a increase in equity attributable to owners of the Parent Company of ₹ 0.01 Crore . The effect on the equity attributable to the owners of Reliance Infrastructure Limited during the year is summarised as follows:

	₹ Crore
Particulars	Year ended March 31, 2017
Carrying amount of non-controlling interests acquired	-
Consideration paid to non-controlling interests	0.01
Excess of consideration paid recognised in retained earnings within equity	0.01

There were no transactions with non-controlling interests in Financial Year 2015-16.

**(d) Consolidated structured entities**

The Group owns investment in the companies which are structured entities consolidated by the Group. These are contractually driven companies designed in a manner that voting rights or similar rights are not the basis to evaluate control over the operations of these entities.

**(e) Interest in Jointly Controlled Operations**

The Parent Company along with M/s. Geopetrol International Inc. and Reliance Natural Resources Limited \*(the consortium) was allotted 4 Coal Bed Methane (CBM) blocks from Ministry of Petroleum and Natural Gas (Mo PNG) covering an acreage of 3,266 square kilometers in the States of Madhya Pradesh, Andhra Pradesh and Rajasthan. The consortium had entered into a contract with Government of India for exploration and production of these four CBM blocks. The Parent Company as part of the consortium has proportionate share in each of the four blocks.

M/s Geopetrol International Inc is the operator on behalf of the consortium for all the four CBM blocks.

Also, the Parent Company along with M/s. Geopetrol International Inc, Naftogaz India Private Limited and Reliance Natural Resources Limited \*(the consortium) was allotted Oil and Gas block from Ministry of Petroleum and Natural Gas (MoPNG), in the State of Mizoram under the New Exploration Licensing Policy (NELP-VI) round, covering an acreage of 3,619 square kilometers and the consortium had signed a production sharing contract with the Government of India for exploration and production of Oil and Gas from block. The Parent Company as part of the consortium has 70% share in the block. M/s Naftogaz India Private Limited was the operator on behalf of the consortium for the block.

# Reliance Infrastructure Limited

## Notes annexed to and forming part of the Consolidated Financial Statements

### Disclosure of the Company's share in Jointly Controlled Operations:

Name of the Field in the Joint Venture	Location (Onshore Blocks)	Participating Interest (%) March 31, 2017	Participating Interest (%) March 31, 2016
SP-(North) – CBM – 2005 / III	Sohagpur, Madhya Pradesh	55 % **	45 % **
KG(E) – CBM – 2005 / III	Kothagudem, Andhra Pradesh	45 % ***	45 % ***
BS(4) – CBM – 2005 / III	Barmer, Rajasthan	45 % ****	45 % ****
BS(5) – CBM – 2005 / III	Barmer, Rajasthan	45 % ****	45 % ****
MZ-ONN-2004 / 2	Mizoram	70 % *****	70 % *****

\*\*The Board of Directors of the Company has approved the transfer of operatorship from M/s Geopetrol International Inc to the parent Company on February 14, 2015.

\*\*\* The consortium experienced inordinate delays in Government clearances, non receipt of Petroleum Exploration License (PEL) for more than 5 years and consequently relinquished its rights in respect of the block at Kothagudem, Andhra Pradesh vide letter dated February 6, 2013 and the reply from the Government is awaited. Pending reply from the Government, the consortium vide letter dated November 21, 2013 communicated to Directorate General of Hydrocarbons (DGH) / MoPNG that the abnormal delays has made it impossible for the consortium to pursue performance under the contract. Under these circumstances, the contract is not effective and became incapable of being executed and that the consortium has no further obligations with respect to the said CBM Block. Liability, if any, which may arise on this relinquishment, is presently not ascertainable.

\*\*\*\* The consortium had experienced inordinate delays in receipt of clearances/permissions from State Government of Rajasthan. Timely grant of requisite approvals was beyond the control of the Consortium and the abnormal delay in the grant of requisite approvals/clearances and also abnormal delay in response on request of grant of extension of Phase-I by DGH, made the Consortium incapable of performance. In view of the difficulties faced, the Consortium relinquished all rights with respect to both the CBM blocks vide letter dated November 21, 2013 to the Government of India and it stated that the consortium has no further obligations with respect to the CBM Blocks. Liability, if any, which may arise on this relinquishment, is presently not ascertainable.

\*\*\*\*\* MoPNG, Government of India in October 2012, after six years of the award of block, observed that NaftoGaz India Limited had falsely represented itself as the subsidiary of NaftoGaz of Ukraine at the time of bidding and served notice of termination to all consortium members referring relevant clause of NELP-VI notice inviting offer (NIO) and Article 30.3(a) of the Production Sharing Contract (PSC) and demanded to pay penalty towards unfinished minimum work program. The Parent Company has received letter dated April 16, 2015 from DGH to deposit USD 9,467,079 as cost of unfinished Minimum Work Program (MWP) to MoPNG. The claim has been contested by the Parent Company vide letter dated June 21, 2014, May 25, 2015 and March 5, 2016. The said amount is disclosed under Contingent Liability in Note No. 22 above.

The above joint ventures are unincorporated joint ventures carrying out jointly controlled operations. Based on the audited statement of accounts of the consortium forwarded by the Operator, except for Mizo Block, the Parent Company's share in respect of assets and liabilities and expenditure for the year have been accounted as under.

Particulars	₹ Crore		
	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015
Expenses	0.70	0.96	0.96
Other Assets	4.47	3.73	3.86
Current Liabilities	0.02	0.02	0.04

(\* Share of RNRL has since been demerged to 4 Subsidiary Companies of Reliance Power Limited).



Notes annexed to and forming part of the Consolidated Financial Statements

- (f) Interests in Associates and Joint Venture accounted using the equity method  
(i) Details of carrying value of Associates and Joint Venture

					₹ Crore
Name of entity	Place of business/ country of incorporation	% of ownership interest As at		Quoted fair value	Carrying amount
Reliance Power Limited	India	<b>March 31, 2017</b>	<b>43.22%</b>	<b>5,829.71</b>	<b>9,239.35</b>
		March 31, 2016	43.22%	5,987.27	8,762.39
		April 01, 2015	42.21%	6,689.59	8,573.21
Metro One Operation Private Limited	India	<b>March 31, 2017</b>	<b>30.00%</b>	*	<b>0.81</b>
		March 31, 2016	30.00%	*	0.75
		April 01, 2015	30.00%	*	0.43
Reliance Geo Thermal Power Private Limited @₹ 25000	India	<b>March 31, 2017</b>	<b>25.00%</b>	*	@
		March 31, 2016	25.00%	*	@
		April 01, 2015	25.00%	*	@
RPL Sun Technique Private Limited#	India	<b>March 31, 2017</b>	<b>50.00%</b>	*	<b>0.01</b>
		March 31, 2016	-	*	-
		April 01, 2015	-	*	-
RPL Photon Private Limited#	India	<b>March 31, 2017</b>	<b>50.00%</b>	*	<b>0.01</b>
		March 31, 2016	-	*	-
		April 01, 2015	-	*	-
RPL Sun Power Private Limited#	India	<b>March 31, 2017</b>	<b>50.00%</b>	*	<b>0.01</b>
		March 31, 2016	-	*	-
		April 01, 2015	-	*	-
Reliance Defence and Engineering Limited \$	India	<b>March 31, 2017</b>	<b>30.76%</b>	<b>1,521.76</b>	<b>1,318.34</b>
		March 31, 2016	29.90%	1,494.50	1,451.21
		April 01, 2015	-	-	-
Utility Powertech Limited	India	<b>March 31, 2017</b>	<b>19.80%</b>	*	<b>16.77</b>
		March 31, 2016	19.80%	*	14.23
		April 01, 2015	19.80%	*	13.55
<b>Total</b>		<b>March 31, 2017</b>			<b>10,575.30</b>
		March 31, 2016			10,228.58
		April 01, 2015			8,587.19

\*Note: Unlisted entity- no quoted price available

# Associate relationship during the year.

\$ Associate relationship during the year 2015-16.

**Reliance Power Limited**

Reliance Power Limited has India's largest portfolio of private power generation and resources under development. The portfolio of RPower comprises of multiple sources of power generation – coal, gas hydro, wind and solar energy.

**Metro One Operation Private Limited**

The Company is engaged in operations and maintenance of the Mumbai Metro I line from Versova to Ghatkopar

**Reliance Defence and Engineering Limited**

The Company is mainly engaged in the construction of vessels, repairs and refits of ships and rigs and heavy engineering.

**Reliance Geo Thermal Power Private Limited, RPL Photon Private Limited, RPL Sun Technique Private Limited and RPL Sun Power Private Limited**

These Companies are formed with an object of generation and distribution of Power.

**Utility Powertech Limited**

The Company is a Joint Venture between NTPC Limited and Reliance Infrastructure Limited engaged in operation and maintenance of electrical and mechanical equipments, civil maintenance of townships, residual life assessment studies, construction/erection of buildings and electrical equipments in power distribution sector.

# Reliance Infrastructure Limited

## Notes annexed to and forming part of the Consolidated Financial Statements

### (ii) Summarised financial information for Associates and Joint Ventures

The tables below provide summarised financial information for those associates and joint venture that are material to the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and not Reliance Infrastructure Limited's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments made at the time of acquisition and modifications for differences in accounting policies.

#### a) Summarised Balance Sheet (Material Associates)

Particulars	Reliance Power Limited			Reliance Defence and Engineering Limited	
	As at	As at	As at	As at	As at
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016
Total current assets	9,174.94	8,511.47	8,444.93	1,614.81	1,335.54
Total non-current assets	54,990.23	55,502.21	55,845.03	10,806.92	10,485.90
Total current liabilities	11,929.70	10,580.09	9,964.40	5,013.23	3,702.95
Total non-current liabilities	30,867.89	33,206.76	34,059.85	5,961.58	6,093.64
<b>Net assets</b>	<b>21,367.58</b>	<b>20,226.83</b>	<b>20,265.71</b>	<b>1,446.92</b>	<b>2,024.85</b>

#### Reconciliation to carrying amounts

Particulars	Reliance Power Limited		Reliance Defence and Engineering Limited	
	As at	As at	As at	As at
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Opening carrying value	8,762.39	8,573.21	1,451.21	-
Acquired during the year	-	-	-	1,428.26
Profit / (Loss) for the year	477.22	379.19	(172.65)	22.78
Other comprehensive income	0.45	0.12	(0.23)	0.13
Stake increase during the year	-	138.83	40.01	-
Carrying cost adjustments	(0.71)	(284.42)	-	-
Capital reserve on increase in stake	-	73.87	-	-
Dividends received	-	(118.41)	-	-
<b>Closing carrying value</b>	<b>9,239.35</b>	<b>8,762.39</b>	<b>1,318.34</b>	<b>1,451.21</b>
Group's share in %	43.22%	43.22%	30.76%	29.90%
Group's share in ₹	9,239.35	8,762.39	1,318.34	1,451.21
Including Goodwill	-	-	901.92	874.36
<b>Carrying amount</b>	<b>9,239.35</b>	<b>8,762.39</b>	<b>1,318.34</b>	<b>1,451.21</b>

#### Summarised Statement of Profit and Loss

Particulars	Reliance Power Limited		Reliance Defence and Engineering Limited	
	Year ended	Year ended	Year ended	Year ended
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Revenue	10,891.68	10,621.52	603.12	346.16
Profit / (Loss) before tax	1,425.42	1,353.22	(760.12)	(871.44)
Profit / (Loss) after tax	1,104.16	895.45	(577.22)	(592.42)
Other comprehensive income	1.03	0.27	(0.71)	1.37
Total comprehensive income	1,105.19	895.72	(577.93)	(591.05)
Dividends received	-	118.41	-	-

Notes annexed to and forming part of the Consolidated Financial Statements

b) Summarised Statement of Profit and Loss of Immaterial Associates

Particulars	₹ Crore	
	Year ended March 31, 2017	Year ended March 31, 2016
Share in profit or (loss)	0.45	0.54
Share in other comprehensive income	(0.09)	0.01
Share in total comprehensive income	0.36	0.55

c) Summarised Statement of Profit and Loss of Immaterial Joint Venture

Particulars	₹ Crore	
	Year ended March 31, 2017	Year ended March 31, 2016
Share in profit or (loss)	4.03	3.98
Share in other comprehensive income	(0.12)	0.04
Share in total comprehensive income	3.91	4.02

44. Additional Information required by Schedule III

Name of the entity in the group	Net assets (total Assets minus total Liabilities)		Share in profit or (loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolli-dated Net Assets	₹ Crore	As % of Consolli-dated Profit or Loss	₹ Crore	As % of Consolli-dated other Compre-hensive Income	₹ Crore	As % of Consolli-dated total Compre-hensive Income	₹ Crore
<b>Parent</b>								
Reliance Infrastructure Limited								
March 31, 2017	89.92%	20,995.14	90.40%	1,288.41	100.18%	(24.45)	90.23%	1,263.96
March 31, 2016	89.13%	19,298.65	130.86%	994.08	101.17%	(26.67)	131.93%	967.41
April 01, 2015	89.92%	19,865.20						
<b>Subsidiaries (group's share)</b>								
<b>Indian</b>								
BSES Kerala Power Limited								
March 31, 2017	1.71%	398.87	-3.58%	(50.97)	0.00%	0.00	-3.64%	(50.97)
March 31, 2016	2.44%	528.08	0.69%	5.25	0.00%	0.00	0.72%	5.25
April 01, 2015	2.40%	529.27						
Reliance Power Transmission Limited								
March 31, 2017	0.18%	41.06	0.00%	0.06	0.00%	0.00	0.00%	0.06
March 31, 2016	0.28%	60.84	-0.04%	(0.32)	0.00%	0.00	-0.04%	(0.32)
April 01, 2015	0.28%	60.86						
North Karanpura Transmission Company Limited								
March 31, 2017	0.00%	(0.41)	-0.69%	(9.77)	0.00%	0.00	-0.70%	(9.77)
March 31, 2016	0.04%	8.48	0.00%	0.00	0.00%	0.00	0.00%	0.00
April 01, 2015	0.04%	7.78						
Talcher II Transmission Company Limited								
March 31, 2017	0.00%	(0.29)	-0.70%	(9.98)	0.00%	0.00	-0.71%	(9.98)
March 31, 2016	0.04%	8.98	0.00%	(0.00)	0.00%	0.00	0.00%	(0.00)
April 01, 2015	0.04%	8.33						
Parbati Koldam Transmission Company Limited								
March 31, 2017	1.79%	416.81	4.83%	68.86	-0.30%	0.07	4.92%	68.93
March 31, 2016	1.65%	356.23	1.49%	11.36	0.17%	(0.05)	1.54%	11.31
April 01, 2015	1.56%	344.83						
Mumbai Metro One Private Limited								
March 31, 2017	1.33%	309.71	-19.19%	(273.49)	0.05%	(0.01)	-19.53%	(273.50)
March 31, 2016	2.69%	583.21	-37.64%	(285.92)	0.25%	(0.07)	-39.00%	(285.98)
April 01, 2015	3.75%	829.09						
Reliance Sea Link One Private Limited								
March 31, 2017	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00
March 31, 2016	0.00%	0.00	0.00%	0.03	0.00%	0.00	0.00%	0.03
April 01, 2015	0.00%	(0.03)						

# Reliance Infrastructure Limited

## Notes annexed to and forming part of the Consolidated Financial Statements

Name of the entity in the group	Net assets (total Assets minus total Liabilities)		Share in profit or (loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consoli-dated Net Assets	₹ Crore	As % of Consoli-dated Profit or Loss	₹ Crore	As % of Consoli-dated other Compre-hensive Income	₹ Crore	As % of Consoli-dated total Compre-hensive Income	₹ Crore
DS Toll Road Limited								
March 31, 2017	0.25%	58.55	0.22%	3.16	0.00%	0.00	0.23%	3.16
March 31, 2016	0.26%	55.39	-0.75%	(5.68)	0.00%	(0.00)	-0.77%	(5.68)
April 01, 2015	0.28%	61.07						
NK Toll Road Limited								
March 31, 2017	0.15%	36.09	0.60%	8.58	0.00%	0.00	0.61%	8.58
March 31, 2016	0.77%	166.24	-1.25%	(9.53)	-1.14%	0.30	-1.26%	(9.23)
April 01, 2015	0.80%	175.76						
GF Toll Road Limited								
March 31, 2017	0.68%	157.69	-3.27%	(46.63)	0.01%	(0.00)	-3.33%	(46.64)
March 31, 2016	0.67%	144.12	-7.65%	(58.13)	0.03%	(0.01)	-7.93%	(58.14)
April 01, 2015	0.71%	157.76						
KM Toll Road Limited								
March 31, 2017	1.51%	353.12	-3.44%	(49.09)	-0.10%	0.02	-3.50%	(49.07)
March 31, 2016	1.68%	363.09	-1.77%	(13.47)	-0.07%	0.02	-1.84%	(13.46)
April 01, 2015	1.23%	272.52						
PS Toll Road Limited								
March 31, 2017	6.53%	1,525.61	-0.96%	(13.75)	0.92%	(0.23)	-1.00%	(13.98)
March 31, 2016	5.96%	1,289.59	13.42%	101.97	0.37%	(0.10)	13.89%	101.88
April 01, 2015	5.07%	1,119.99						
DA Toll Road Limited								
March 31, 2017	3.57%	832.87	0.89%	12.73	0.64%	(0.16)	0.90%	12.57
March 31, 2016	3.06%	663.04	14.52%	110.31	0.94%	(0.25)	15.01%	110.06
April 01, 2015	2.38%	525.49						
HK Toll Road Limited								
March 31, 2017	1.46%	340.71	-5.17%	(73.67)	-0.48%	0.12	-5.25%	(73.56)
March 31, 2016	1.87%	404.07	-8.60%	(65.34)	-0.02%	0.01	-8.91%	(65.33)
April 01, 2015	1.99%	438.60						
TK Toll Road Private Limited								
March 31, 2017	1.32%	308.59	-0.63%	(8.94)	0.22%	(0.05)	-0.64%	(8.99)
March 31, 2016	1.38%	298.58	-1.38%	(10.50)	0.07%	(0.02)	-1.43%	(10.52)
April 01, 2015	1.33%	294.60						
TD Toll Road Private Limited								
March 31, 2017	0.31%	72.59	-0.92%	(13.14)	0.25%	(0.06)	-0.94%	(13.20)
March 31, 2016	0.39%	84.79	-2.72%	(20.68)	-0.01%	0.00	-2.82%	(20.68)
April 01, 2015	0.48%	104.96						
SU Toll Road Private Limited								
March 31, 2017	0.71%	166.69	-2.31%	(32.94)	0.20%	(0.05)	-2.36%	(32.99)
March 31, 2016	0.92%	199.68	-4.46%	(33.89)	0.01%	(0.00)	-4.62%	(33.89)
April 01, 2015	1.06%	233.57						
JR Toll Road Private Limited								
March 31, 2017	0.31%	71.91	-1.40%	(20.01)	-0.16%	0.04	-1.43%	(19.97)
March 31, 2016	0.32%	69.79	-3.03%	(23.04)	0.01%	(0.00)	-3.14%	(23.04)
April 01, 2015	0.33%	72.33						
Reliance Energy Trading Limited								
March 31, 2017	0.06%	13.32	0.43%	6.12	0.00%	0.00	0.44%	6.12
March 31, 2016	0.17%	35.75	0.95%	7.19	0.00%	0.00	0.98%	7.19
April 01, 2015	0.25%	54.66						
Reliance Cement Company Private Limited								
March 31, 2017	-	-	2.26%	32.17	0.00%	0.00	2.30%	32.17
March 31, 2016	9.87%	2,136.66	-20.05%	(152.27)	0.00%	0.00	-20.77%	(152.27)
April 01, 2015	4.25%	938.16						
CBD Tower Private Limited								
March 31, 2017	0.80%	186.55	0.00%	0.00	0.00%	0.00	0.00%	0.00
March 31, 2016	0.86%	186.55	0.00%	0.00	0.00%	0.00	0.00%	0.00
April 01, 2015	0.84%	186.55						
Reliance Electric Generation and Supply Private Limited								
March 31, 2017	0.00%	(0.01)	0.00%	(0.01)	0.00%	0.00	0.00%	(0.01)
March 31, 2016	0.00%	(0.00)	0.00%	(0.00)	0.00%	0.00	0.00%	(0.00)
April 01, 2015								

Notes annexed to and forming part of the Consolidated Financial Statements

Name of the entity in the group	Net assets (total Assets minus total Liabilities)		Share in profit or (loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consol- dated Net Assets	₹ Crore	As % of Consol- dated Profit or Loss	₹ Crore	As % of Consol- dated other Compre- hensive Income	₹ Crore	As % of Consol- dated total Compre- hensive Income	₹ Crore
Utility Infrastructure & Works Private Limited								
March 31, 2017	0.03%	6.80	0.00%	(0.00)	0.00%	0.00	0.00%	(0.00)
March 31, 2016	0.03%	6.80	0.00%	(0.00)	0.00%	0.00	0.00%	(0.00)
April 01, 2015	0.03%	6.81						
Reliance Airport Developers Private Limited								
March 31, 2017	0.30%	70.90	-0.01%	(0.10)	0.00%	0.00	-0.01%	(0.10)
March 31, 2016	0.33%	71.00	0.00%	(0.01)	0.00%	0.00	0.00%	(0.01)
April 01, 2015	0.32%	71.01						
Baramati Airport Private Limited								
March 31, 2017	0.07%	15.43	-0.02%	(0.24)	0.00%	0.00	-0.02%	(0.24)
March 31, 2016	0.07%	15.67	-0.39%	(2.93)	0.00%	0.00	-0.40%	(2.93)
April 01, 2015	0.08%	18.60						
Latur Airport Private Limited								
March 31, 2017	0.02%	4.19	-0.02%	(0.26)	0.00%	0.00	-0.02%	(0.26)
March 31, 2016	0.02%	4.45	-0.04%	(0.28)	0.00%	0.00	-0.04%	(0.28)
April 01, 2015	0.02%	4.72						
Nanded Airport Private Limited								
March 31, 2017	0.01%	1.18	-0.25%	(3.52)	0.00%	0.00	-0.25%	(3.52)
March 31, 2016	0.02%	4.70	-0.46%	(3.51)	0.00%	0.00	-0.48%	(3.51)
April 01, 2015	0.04%	8.21						
Osmanabad Airport Private Limited								
March 31, 2017	0.03%	6.42	-0.02%	(0.29)	0.00%	0.00	-0.02%	(0.29)
March 31, 2016	0.03%	6.71	-0.03%	(0.22)	0.00%	0.00	-0.03%	(0.22)
April 01, 2015	0.03%	6.93						
Yavatmal Airport Private Limited								
March 31, 2017	0.01%	1.90	-0.02%	(0.24)	0.00%	0.00	-0.02%	(0.24)
March 31, 2016	0.01%	2.14	-0.03%	(0.22)	0.00%	0.00	-0.03%	(0.22)
April 01, 2015	0.01%	2.36						
Reliance Cement Corporation Private Limited								
March 31, 2017	-0.04%	(9.31)	0.00%	(0.00)	0.00%	0.00	0.00%	(0.00)
March 31, 2016	-0.04%	(9.31)	0.00%	(0.00)	0.00%	0.00	0.00%	(0.00)
April 01, 2015	-0.04%	(9.31)						
Reliance Defence Systems Private Limited								
March 31, 2017	6.16%	1,438.19	-0.52%	(7.41)	-1.34%	0.33	-0.51%	(7.09)
March 31, 2016	6.60%	1,428.50	-7.69%	(58.42)	-0.34%	0.09	-7.95%	(58.33)
April 01, 2015	-0.02%	(5.47)						
Reliance Defence Technologies Private Limited								
March 31, 2017	0.00%	0.00	0.00%	(0.00)	0.00%	0.00	0.00%	(0.00)
March 31, 2016	0.00%	0.01	0.00%	(0.00)	0.00%	0.00	0.00%	(0.00)
April 01, 2015	0.00%	0.01						
Reliance Defence and Aerospace Private Limited								
March 31, 2017	0.00%	(0.04)	0.00%	(0.01)	0.00%	0.00	0.00%	(0.01)
March 31, 2016	0.00%	(0.03)	0.00%	(0.04)	0.00%	0.00	0.00%	(0.04)
April 01, 2015	0.00%	0.01						
Reliance Defence Limited								
March 31, 2017	0.12%	29.12	-1.19%	(17.01)	1.91%	(0.47)	-1.25%	(17.47)
March 31, 2016	0.12%	25.06	-1.03%	(7.79)	0.00%	0.00	-1.06%	(7.79)
April 01, 2015	0.00%	0.05						
Reliance Defence Infrastructure Ltd.								
March 31, 2017	0.00%	0.04	0.00%	(0.00)	0.00%	0.00	0.00%	(0.00)
March 31, 2016	0.00%	0.05	0.00%	0.00	0.00%	0.00	0.00%	0.00
Reliance SED Ltd								
March 31, 2017	0.00%	0.04	0.00%	(0.00)	0.00%	0.00	0.00%	(0.00)
March 31, 2016	0.00%	0.05	0.00%	(0.00)	0.00%	0.00	0.00%	(0.00)

# Reliance Infrastructure Limited

## Notes annexed to and forming part of the Consolidated Financial Statements

Name of the entity in the group	Net assets (total Assets minus total Liabilities)		Share in profit or (loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolli-dated Net Assets	₹ Crore	As % of Consolli-dated Profit or Loss	₹ Crore	As % of Consolli-dated other Compre-hensive Income	₹ Crore	As % of Consolli-dated total Compre-hensive Income	₹ Crore
Reliance Propulsion Ltd								
March 31, 2017	0.00%	0.04	0.00%	(0.00)	0.00%	0.00	0.00%	(0.00)
March 31, 2016	0.00%	0.05	0.00%	(0.00)	0.00%	0.00	0.00%	(0.00)
Reliance Defence Systems & Tech Limited (formerly Reliance Space Ltd)								
March 31, 2017	0.00%	(0.50)	-0.04%	(0.55)	0.00%	0.00	-0.04%	(0.55)
March 31, 2016	0.00%	0.05	0.00%	(0.00)	0.00%	0.00	0.00%	(0.00)
Reliance Helicopters Ltd								
March 31, 2017	0.00%	0.04	0.00%	(0.00)	0.00%	0.00	0.00%	(0.00)
March 31, 2016	0.00%	0.04	0.00%	(0.01)	0.00%	0.00	0.00%	(0.01)
Reliance Land Systems Ltd								
March 31, 2017	0.00%	0.03	0.00%	(0.00)	0.00%	0.00	0.00%	(0.00)
March 31, 2016	0.00%	0.03	0.00%	(0.02)	0.00%	0.00	0.00%	(0.02)
Reliance Naval Systems Ltd								
March 31, 2017	0.00%	0.04	0.00%	(0.01)	0.00%	0.00	0.00%	(0.01)
March 31, 2016	0.00%	0.04	0.00%	(0.01)	0.00%	0.00	0.00%	(0.01)
Reliance Unmanned Systems Ltd								
March 31, 2017	0.00%	0.04	0.00%	(0.00)	0.00%	0.00	0.00%	(0.00)
March 31, 2016	0.00%	0.05	0.00%	(0.00)	0.00%	0.00	0.00%	(0.00)
Reliance Aerostructure Ltd								
March 31, 2017	-0.02%	(4.38)	-0.20%	(2.85)	0.00%	0.00	-0.20%	(2.85)
March 31, 2016	-0.01%	(1.52)	-0.21%	(1.57)	0.00%	0.00	-0.21%	(1.57)
Reliance Cruise and Terminals Limited (formerly Reliance Defence Ventures Ltd. )								
March 31, 2017	0.00%	0.04	0.00%	(0.00)	0.00%	0.00	0.00%	(0.00)
March 31, 2016	0.00%	0.05	0.00%	(0.00)	0.00%	0.00	0.00%	(0.00)
Dassault Reliance Aerospace Limited								
March 31, 2017	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00
March 31, 2016	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00
Reliance Rafael Defence Systems Private Limited								
March 31, 2017	0.00%	0.01	0.00%	0.00	0.00%	0.00	0.00%	0.00
March 31, 2016	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00
Reliance Smart Cities Limited								
March 31, 2017	0.00%	0.04	0.00%	(0.01)	0.00%	0.00	0.00%	(0.01)
March 31, 2016	0.00%	0.05	0.00%	(0.00)	0.00%	0.00	0.00%	(0.00)
Reliance E-Generation and Management Private Limited								
March 31, 2017	0.00%	0.01	0.00%	(0.00)	0.00%	0.00	0.00%	(0.00)
March 31, 2016	0.00%	0.01	0.00%	(0.00)	0.00%	0.00	0.00%	(0.00)
Reliance Energy Limited								
March 31, 2017	0.00%	0.04	0.00%	(0.00)	0.00%	0.00	0.00%	(0.00)
March 31, 2016	0.00%	0.05	0.00%	0.00	0.00%	0.00	0.00%	0.00
BSES Rajdhani Power Limited								
March 31, 2017	5.71%	1,332.02	7.59%	108.21	-0.32%	0.08	7.73%	108.29
March 31, 2016	5.65%	1,223.73	5.31%	40.37	0.00%	0.00	5.51%	40.37
April 01, 2015	5.36%	1,183.36						
BSES Yamuna Power Limited								
March 31, 2017	3.12%	727.36	2.38%	33.94	-0.21%	0.05	2.43%	33.99
March 31, 2016	3.20%	693.37	0.86%	6.53	-0.36%	0.09	0.90%	6.62
April 01, 2015	3.11%	686.74						
Tamil Nadu Industries Captive Power Company Limited								
March 31, 2017	0.00%	(0.70)	0.00%	(0.03)	0.00%	0.00	0.00%	(0.03)
March 31, 2016	0.00%	(0.67)	0.00%	(0.03)	0.00%	0.00	0.00%	(0.03)
April 01, 2015	0.00%	(0.64)						

Notes annexed to and forming part of the Consolidated Financial Statements

Name of the entity in the group	Net assets (total Assets minus total Liabilities)		Share in profit or (loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolli-dated Net Assets	₹ Crore	As % of Consolli-dated Profit or Loss	₹ Crore	As % of Consolli-dated other Compre-hensive Income	₹ Crore	As % of Consolli-dated total Compre-hensive Income	₹ Crore
Delhi Airport Metro Express Private Limited								
March 31, 2017	-0.12%	(27.75)	-0.60%	(8.51)	-0.34%	0.08	-0.60%	(8.43)
March 31, 2016	-1.38%	(298.43)	-1.55%	(11.77)	0.26%	(0.07)	-1.61%	(11.84)
April 01, 2015	-1.31%	(289.79)						
Mumbai Metro Transport Private Limited								
March 31, 2017	0.00%	0.48	0.00%	(0.01)	0.00%	0.00	0.00%	(0.01)
March 31, 2016	0.00%	0.49	0.00%	0.00	0.00%	0.00	0.00%	0.00
April 01, 2015	0.00%	0.51						
Western Transco Power Limited								
March 31, 2017	0.00%	0.05	0.00%	(0.00)	0.00%	0.00	0.00%	(0.00)
Western Transmission (Gujarat) Limited								
March 31, 2017	0.00%	0.05	0.00%	(0.00)	0.00%	0.00	0.00%	(0.00)
Reliance Infra Solutions Private Limited								
March 31, 2017	0.00%	0.01	0.00%	(0.00)	0.00%	0.00	0.00%	(0.00)
Spice Commerce and Trade Private Limited								
March 31, 2017	-	-	0.03%	0.37	0.00%	0.00	0.03%	0.37
March 31, 2016	0.21%	45.66	0.29%	2.22	0.00%	0.00	0.30%	2.22
April 01, 2015	0.01%	2.38						
Space Trade Enterprises Private Limited								
March 31, 2017	-	-	0.03%	0.50	0.00%	0.00	0.04%	0.50
March 31, 2016	0.00%	(0.52)	0.22%	1.66	0.00%	0.00	0.23%	1.66
April 01, 2015	0.00%	0.87						
Skyline Global Trade Private Limited								
March 31, 2017	-	-	-0.01%	(0.18)	0.00%	0.00	-0.01%	(0.18)
March 31, 2016	-0.11%	(23.49)	-2.41%	(18.33)	0.00%	0.00	-2.50%	(18.33)
April 01, 2015	0.00%	0.18						
Worldcom Solutions Limited								
March 31, 2017	-	-	0.00%	(0.01)	0.00%	0.00	0.00%	(0.01)
March 31, 2016	0.00%	(0.69)	-0.03%	(0.20)	0.00%	0.00	-0.03%	(0.20)
April 01, 2015	0.00%	(0.48)						
Hirma Power Limited								
March 31, 2017	-	-	0.00%	(0.00)	0.00%	0.00	0.00%	(0.00)
March 31, 2016	0.00%	(0.40)	0.00%	(0.02)	0.00%	0.00	0.00%	(0.02)
April 01, 2015	0.00%	0.21						
Jayamkondam Power Limited								
March 31, 2017	-	-	0.00%	(0.01)	0.00%	0.00	0.00%	(0.01)
March 31, 2016	0.00%	0.01	-0.02%	(0.14)	0.00%	0.00	-0.02%	(0.14)
April 01, 2015	0.00%	0.15						
Reliance Thermal Energy Limited								
March 31, 2017	-	-	0.00%	(0.00)	0.00%	0.00	0.00%	(0.00)
March 31, 2016	-0.03%	(7.28)	0.00%	0.03	0.00%	0.00	0.00%	0.03
April 01, 2015	0.00%	0.07						
Nodia Global SEZ Private Limited								
March 31, 2017	-	-	0.06%	0.92	0.00%	0.00	0.07%	0.92
March 31, 2016	0.00%	0.01	0.00%	(0.00)	0.00%	0.00	0.00%	(0.00)
April 01, 2015	0.00%	(0.01)						
Globetech Advisory Services Limited								
March 31, 2017	-	-	0.00%	(0.01)	0.00%	0.00	0.00%	(0.01)
March 31, 2016	0.16%	35.29	1.14%	8.63	0.00%	0.00	1.18%	8.63
April 01, 2015	0.00%	0.03						



# Reliance Infrastructure Limited

## Notes annexed to and forming part of the Consolidated Financial Statements

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	As % of Consol- dated Net Assets	₹ Crore	As % of Consol- dated Profit or Loss	₹ Crore	As % of Consol- dated other Compre- hensive Income	₹ Crore	As % of Consol- dated total Compre- hensive Income	₹ Crore
Reliance Concrete Private Limited								
March 31, 2017	-	-	0.00%	-	0.00%	0.00	0.00%	0.00
March 31, 2016	6.51%	1,408.69	0.00%	(0.01)	0.00%	0.00	0.00%	(0.01)
April 01, 2015	0.00%	0.06						
Reliance Toll Road Trust								
March 31, 2017	0.04%	9.35	0.00%	-	0.00%	0.00	0.00%	0.00
March 31, 2016	0.04%	9.32	0.00%	(0.01)	0.00%	0.00	0.00%	(0.01)
April 01, 2015	0.04%	9.35						
Reliance Delhi Metro Trust								
March 31, 2017	0.00%	0.01	0.00%	-	0.00%	0.00	0.00%	0.00
March 31, 2016	0.00%	0.01	0.00%	(0.01)	0.00%	0.00	0.00%	(0.01)
April 01, 2015	0.00%	0.01						
Non-controlling interests in all subsidiaries								
March 31, 2017	-6.84%	(1,596.95)	2.18%	31.03	-1.11%	0.27	2.20%	30.76
March 31, 2016	-7.52%	(1,627.71)	8.84%	67.13	-0.06%	0.01	9.15%	67.11
April 01, 2015	-7.67%	(1,694.83)						
Associates								
(Investment as per equity method)								
Indian								
Reliance Power Limited								
March 31, 2017	39.57%	9,239.35	33.48%	477.22	-1.82%	0.45	34.10%	477.61
March 31, 2016	40.47%	8,762.39	49.92%	379.19	-0.44%	0.12	51.73%	379.31
April 01, 2015	38.80%	8,573.21						
Metro One Operation Private Limited								
March 31, 2017	0.00%	0.81	0.04%	0.45	0.36%	(0.09)	0.03%	0.42
March 31, 2016	0.00%	0.75	0.07%	0.54	-0.07%	0.02	0.08%	0.55
April 01, 2015	0.00%	0.43						
Reliance Defence and Engineering Limited								
March 31, 2017	5.65%	1,318.34	-12.11%	(172.65)	0.95%	(0.23)	-12.34%	(172.89)
March 31, 2016	6.70%	1,451.21	3.00%	22.78	-0.63%	0.17	3.13%	22.95
April 01, 2015	0.00%	0.00						
Reliance Geo Thermal Power Private Limited								
March 31, 2017	0.00%	-	0.00%	-	0.00%	-	0.00%	-
March 31, 2016	-	-	-	-	-	-	-	-
April 01, 2015	-	0.00						
RPL Sun Technique Private Limited								
March 31, 2017	0.00%	0.01	0.00%	-	0.00%	-	0.00%	-
March 31, 2016	0.00%	0.00	-	-	-	-	-	-
RPL Photon Private Limited								
March 31, 2017	0.00%	0.01	0.00%	-	0.00%	-	0.00%	-
March 31, 2016	0.00%	0.00	-	-	-	-	-	-
RPL Sun Power Private Limited								
March 31, 2017	0.00%	0.01	0.00%	-	0.00%	-	0.00%	-
March 31, 2016	0.00%	0.00	-	-	-	-	-	-
Joint ventures								
(Investment as per equity method)								
Indian								
Utility Powertech Limited								
March 31, 2017	0.07%	16.77	0.28%	4.03	0.49%	(0.12)	0.28%	3.91
March 31, 2016	0.07%	14.23	0.52%	3.98	-0.15%	0.04	0.55%	4.02
April 01, 2015	0.06%	13.55						

**Notes annexed to and forming part of the Consolidated Financial Statements**

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	As % of Consol-dated Net Assets	₹ Crore	As % of Consol-dated Profit or Loss	₹ Crore	As % of Consol-dated other Compre-hensive Income	₹ Crore	As % of Consol-dated total Compre-hensive Income	₹ Crore
<b>Inter Co. Elimination/ Adjustments arising out of consolidation</b>								
March 31, 2017	-66.46%	(15,517.18)	11.56%	164.77	0.00%	0.00	11.76%	164.77
March 31, 2016	-85.58%	(18,530.11)	-28.87%	(219.27)	0.00%	0.00	-29.90%	(219.27)
April 01, 2015	-57.83%	(12,777.52)						
<b>Total</b>								
<b>March 31, 2017</b>	<b>100%</b>	<b>23,347.52</b>	<b>100%</b>	<b>1,425.18</b>	<b>100%</b>	<b>(24.14)</b>	<b>100%</b>	<b>1,401.04</b>
March 31, 2016	100%	21,652.33	100%	759.63	100%	(26.35)	100%	733.28
April 01, 2015	100%	22,093.11						

**45. First-time adoption of Ind AS**
**Transition to Ind AS**

These are the Group's first Consolidated Financial Statements prepared in accordance with Ind AS.

The accounting policies set out in note 1 have been applied in preparing the Consolidated Financial Statements for the year ended March 31, 2017, the comparative information presented in these Consolidated Financial Statements for the year ended March 31, 2016 and in the preparation of an opening Ind AS balance sheet at April 01, 2015 (the Group's date of transition). In preparing its opening Ind AS balance sheet, the Group has adjusted the amounts reported previously in Consolidated Financial Statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP or IGAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows is set out in the following tables and notes.

**A. Exemptions and exceptions availed**

In preparing these Ind AS Consolidated Financial Statements, the Group has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the Consolidated Financial Statements as at the transition date under Ind AS and previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the Group in restating its previous GAAP Consolidated Financial Statements, including the Balance Sheet As at April 01, 2015 and the Consolidated Financial Statements as at and for the year ended March 31, 2016.

**A.1 Ind AS optional exemptions**
**Business combinations**

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Group elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated. The Group has applied same exemption for investment in associates and joint ventures.

**Deemed cost**

The Group has elected to measure property, plant and equipment at fair value at the date of transition to Ind AS. Hence at the date of transition to Ind AS, an increase of ₹ 8,630.91 Crore was recognised in property, plant and equipment.

This amount has been recognised against retained earnings.

**Designation of previously recognised financial instruments**

Ind AS 101 allows the Group to designate investments in equity instruments at FVTPL on the basis of the facts and circumstances at the date of transition to Ind AS.

The Group has elected to apply this exemption for its investment in equity investments.

**Leases**

Appendix C to Ind AS 17 requires the Group to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

The Group has elected to apply this exemption for such contracts/arrangements.

### **Joint ventures**

Ind AS 101 provides an exemption for changing from proportionate consolidation to the equity method. As per the exemption, when changing from proportionate consolidation to the equity method, the Group should recognise its investment in the joint venture at transition date to Ind AS. That initial investment should be measured as the aggregate of the carrying amounts of the assets and liabilities that the Group had previously proportionately consolidated, including any goodwill arising from acquisition. The balance of the investment in joint venture at the date of transition to Ind AS, determined in accordance with the above is regarded as the deemed cost of the investment at initial recognition.

The Group has elected to apply this exemption for its joint venture.

### **Long Term Foreign Currency Monetary Items**

Ind AS 101 provides an exemption to account for exchange differences arising on translation of such items as per previous GAAP (on application of Para 46A of AS-11 "The Effects of Changes in Foreign Exchange Rates") can be continued under Ind AS for items outstanding as on March 31, 2016.

The Group has elected to apply this exemption for its long term foreign currency borrowings and investments.

### **Decommissioning liabilities included in the cost of Property, Plant and Equipment**

Ind AS 101 provides the Group an option not to make changes in the decommissioning, restoration or similar liability before the transition date to be added to or deducted from the cost of the asset to which it relates. The Group is allowed to measure the liability as at the date of transition to Ind ASs that would have been included in the cost of the related asset when the liability first arose, by discounting the liability to that date using its best estimate of the historical risk adjusted discount rate(s) that would have applied for that liability over the intervening period and calculate the accumulated depreciation on that amount, as at the date of transition to Ind ASs, on the basis of the current estimate of the useful life of the asset, using the depreciation policy adopted.

The Group has elected to apply this exemption for its cement business which has been sold effective August 22, 2016.

### **Financial assets or intangible assets accounted for in accordance with Appendix A of Ind AS 11 (Service concession arrangements)**

The Group has used exemption under Ind AS 101 and has continue to adopt the accounting policy of previous GAAP for amortization for intangible assets arising from service concession arrangements relating to concession toll roads intangible assets recognized in the Consolidated Financial Statements.

## **A.2 Ind AS mandatory exceptions**

### **Estimates**

The Group's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 01, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Group made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in equity instruments carried at FVTPL or FVTOCI;
- Investment in debt instruments carried at FVTPL; and
- Impairment of financial assets based on expected credit loss model.

### **Non-controlling interests**

Ind AS 110 requires entities to attribute the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests. This requirement needs to be followed even if this results in the non-controlling interests having a deficit balance. Ind AS 101 requires the above requirement to be followed prospectively from the date of transition. Consequently, the Group has applied the above requirement prospectively.

### **Classification and measurement of financial assets**

Ind AS 101 requires the Group to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

## **B. Reconciliations between previous GAAP and Ind AS**

Ind AS 101 requires the Group to reconcile Profit, other equity and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Notes annexed to and forming part of the Consolidated Financial Statements

(a) Reconciliation of Profit as per Ind AS with profit reported under Previous GAAP is as under:

			₹ Crore
Sr. No.	Particulars	Note No.	Year Ended March 31, 2016
	<b>Net Profit after tax reported as per Previous GAAP</b>		<b>1,974.56</b>
1	Depreciation impact on fair valuation of Property Plant & Equipment	1	(462.40)
2	Gain/(Loss) on fair valuation/measurement of Investments	2	(350.40)
3	Arrangements accounted as Financial Assets/Intangible assets under Service Concession Arrangements	3	29.94
4	Financial Assets/Liabilities measured at amortised cost	4	213.00
5	Expected Credit Loss on Financial Assets	5	(441.21)
6	Power Purchase Agreement accounted as finance lease	9	(176.71)
7	Recalculation of borrowing cost as per Effective Interest Rate methodology	10	(88.62)
8	Effect of consolidation of entity on assessment of control	12	69.46
9	Ind AS adjustments on Associates share of Profit	13	(206.06)
10	Other Adjustments		(29.34)
11	Deferred Tax on Ind AS adjustments	14	160.30
12	<b>Net Profit after tax as per Ind AS</b>		<b>692.52</b>
13	Other Comprehensive income / (expenses) (net of tax)		(26.36)
14	<b>Total Comprehensive income reported under Ind AS</b>		<b>666.16</b>

(b) Reconciliations of other equity between previous GAAP and Ind AS

				₹ Crore
Sr. No.	Particulars	Note No.	As at March 31, 2016	As at April 01, 2015
	<b>Other equity (Reserves &amp; Surplus) as per Previous GAAP</b>		<b>27,412.78</b>	26,711.44
1	Fair Valuation of Property Plant & Equipment on transition date and considered as deemed cost	1	<b>8,168.51</b>	8,630.91
2	Gain / (Loss) on fair valuation / remeasurement of financial instruments	2	<b>(8,201.83)</b>	(7,851.43)
3	Decrease in PPE- Service Concession Arrangements accounting under Appendix 'A' -IND-AS 11	3	<b>(2,046.17)</b>	(1,887.36)
4	Increase in Financial Assets (Service Concession Receivable) - Service Concession Arrangements accounting under Appendix 'A' -IND-AS 11	3	<b>1,382.27</b>	1,291.51
5	Service Concession Arrangements accounting under Appendix 'A' -IND-AS 11 - Toll Road Business	3	<b>(233.10)</b>	(322.23)
6	Service Concession Arrangements accounting under Appendix 'A' -IND-AS 11 - Metro Business	3	<b>(111.43)</b>	(120.29)
7	Long Term Retention Receivable measured at amortised Cost	4	<b>(12.67)</b>	(302.22)
8	Long Term Retention Payable measured at amortised Cost	4	-	76.55
9	Provision for Expected Credit Loss in respect of Loans given	5	<b>(2,681.78)</b>	(2,240.57)
10	Service Line Contribution reclassified as Deferred Income	6	<b>(315.16)</b>	(287.45)
11	Consumer Contribution reclassified as Liability	6	<b>(262.75)</b>	(256.55)
12	APDPR Grant reclassified as Liability	6	<b>(5.12)</b>	(5.40)
13	Contingency Reserve reclassified as Liability	7	<b>(123.35)</b>	(107.79)
14	Treasury Shares reduced from other equity	8	<b>(36.85)</b>	(36.85)
15	Increase in PPE - Long Term Power Purchase Agreements with Generator treated as Leasing Arrangement under Appendix 'C'- Ind-AS 17	9	<b>3,780.82</b>	3,999.93
16	Increase in Finance Lease Obligations - Long Term Power Purchase Agreements with Generator treated as Leasing Arrangement under Appendix 'C'- Ind-AS 17	9	<b>(4,269.53)</b>	(4,311.93)

# Reliance Infrastructure Limited

## Notes annexed to and forming part of the Consolidated Financial Statements

		₹ Crore		
Sr. No.	Particulars	Note No.	As at March 31, 2016	As at April 01, 2015
17	Reworking of Borrowing cost as Effective Interest Rate	10	123.51	212.13
18	Proposed Dividends (including Tax) accounted in the year of Shareholder's approval	11	269.05	253.22
19	Effect of assessment control	12	428.15	358.69
20	Ind AS adjustments on Associates / Joint Venture	13	357.76	421.02
21	Others		0.92	(0.22)
22	Deferred Tax on above Ind AS adjustments	14	(2,234.73)	(2,395.03)
<b>Other equity (Reserves &amp; Surplus) as per Ind AS</b>			<b>21,389.30</b>	<b>21,830.08</b>

### (c) Reconciliations of Cashflows between previous GAAP and Ind AS

#### Impact of Ind AS adoption on the Consolidated Statements of cash flows for the year ended March 31, 2016

₹ Crore			
Particulars	Previous GAAP	Adjustments	Ind AS
Net cash flow from Operating Activities	6,766.03	3,529.65	10,295.68
Net cash flow from Investing Activities	(5,735.85)	41.95	(5,693.90)
Net cash flow from Financing Activities	(1,092.57)	(3,611.43)	(4,704.00)
Effects of exchange rate changes on Cash and Cash Equivalents	3.79	-	3.79
<b>Net increase/(decrease) in Cash and Cash Equivalents</b>	<b>(58.60)</b>	<b>(39.83)</b>	<b>(98.43)</b>
Cash and Cash Equivalents as at April 01, 2015	422.10	130.31	552.41
<b>Cash and Cash Equivalents as at March 31, 2016</b>	<b>363.50</b>	<b>90.48</b>	<b>453.98</b>

#### Analysis of changes in Cash and Cash Equivalents for the purposes of consolidated statement of cash flows under Ind AS

₹ Crore		
Particulars	As at March 31, 2016	As at April 01, 2015
Cash and cash equivalents as per previous GAAP	363.50	422.10
Consolidation of subsidiary	97.22	133.98
Joint venture – equity accounting	(6.74)	(3.67)
<b>Cash and cash equivalents for the purpose of statement of cash flows</b>	<b>453.98</b>	<b>552.41</b>

### (d) First-time adoption of Ind AS

#### Transition to Ind AS

##### Note 1: Property, plant and equipment

The Group has elected to measure items of Property, Plant and Equipment at fair value at the date of transition to Ind AS and considered it as deemed cost. Hence, at the date of transition to Ind AS, an increase of ₹ 8,630.91 Crore was recognised in Property, Plant and Equipment with corresponding increase in Retained Earnings.

Since the Group has elected for fair valuation of PPE at the date of transition to Ind AS, the Revaluation Reserve existing on the date of transition under Previous GAAP amounting to ₹ 505.15 Crore has been transferred to the Retained Earnings on the date of transition.

##### Note 2: Fair valuation of investments

Under Previous GAAP, the Group had accounted for long term investments at cost less provision for other than temporary diminution in the value of investments. Current investments were carried at lower of cost and fair value.

At the date of transition to Ind AS, difference between these instrument's fair value and Previous GAAP carrying amount has been recognised in retained earnings. Subsequently, the fair value gains and losses are recorded in the Statement of Profit and Loss.

Under Ind AS, the Group has assessed that its investments in debt securities such as preference shares and debentures do not meet the "solely payments of principal and interest" test. Hence, these investments have been classified as FVTPL. However, the investments in government securities meet the "solely payments of principal and interest" test and are not held for trading. Hence, these investments are classified as amortised cost instruments.

Notes annexed to and forming part of the Consolidated Financial Statements

At the date of transition to Ind AS, difference between these instruments' fair value or amortised cost as applicable and Previous GAAP carrying amount has been recognised in retained earnings. Subsequently, the interest income on government securities is recorded in the Statement of Profit and Loss using the effective interest method. Under Ind AS, financial guarantees are accounted as financial liabilities and measured initially at fair value. Accordingly the company has created financial guarantee obligations of ₹ 29.66 Crore and ₹ 24.79 Crore on April 01, 2015 and March 31, 2016 respectively.

**Note 3: Service concession arrangements**

Appendix A of Ind AS 11 'Service Concessionaire Arrangement' is applicable to certain projects of the Group that have public-to-private concession arrangements under which private sector entities participate in the development, financing, operation and maintenance of infrastructure for provision of public services. In the books of the Parent Company, Samalkot Power Station and Transmission business under the Western Region System Strengthening Scheme II are engaged in such businesses that meet the conditions for classification as service concession arrangements. .

Certain subsidiaries are engaged in Design, Build, Finance, Operate and Transfer (DBFOT) or Design, Build, Finance, Operate (DBFO) basis arrangements with toll roads and metro rails and power generation plants. After the expiry of the concession period, these projects either have to handover the infrastructure to the grantor or provide services using the infrastructure in such a manner that the control over the entire economic useful life (including the residual value) remains with the grantor.

As per the salient feature of the concession arrangement, the operator has a twofold activity based on which revenue is recognized in the financial statements that is in line with the requirement of Appendix A of Ind AS 11.

- a construction activity in respect of its obligation to design, build and finance an asset that it makes available the grantor: revenue is recognized on a stage of completion basis in accordance with Ind AS 11 during the construction phase.
- an operating and maintenance activity in respect of the assets under the concession during the operational: revenue is recognised in accordance with Ind AS 18 "Revenue".

In return of its activities, the projects receive consideration from users in the form of license to charge public or in guaranteed return from the grantor in the form of grant or fixed cost reimbursement. The guaranteed consideration is recorded as a concession financial receivable while the unguaranteed consideration denoting a right to charge the users is recorded as a concession intangible asset.

Retrospective application of 'Service Concessionaire arrangement' accounting has also led to recognition of maintenance obligation and premium payable in case of toll road projects to NHAI for existing infrastructure in the balance sheet with a corresponding charge to retained earnings.

**Note 4: Retention money discounting**

Ind AS 11 and Ind AS 18 require the Group to record revenue at fair value. Under Ind AS, in case of retention monies payable and receivable, due to the timing difference between the recording of revenue/cost and settlement of transaction, it is presumed that the transactions have an embedded financing component, which is separated and recorded as interest income or expense. The interest income and expense on such transactions accrues to the Statement of Profit and Loss over the period the transaction occurs and measured at effective interest rate.

**Note 5: Impairment of financial assets**

As per Ind AS 109, the Group is required to apply expected credit loss model for recognising the allowance for doubtful loans, debts and advances. As a result, the loss allowance increased by ₹ 441.21 Crore as at March 31, 2016 from ₹ 2,240.57 Crore as at April 01, 2015 to ₹ 2,681.78 Crore with a corresponding impact in the Consolidated Statement of Profit and Loss for the year ended March 31, 2016 and retained earnings as at April 01, 2015.

**Note 6: Service line contributions reserve, Consumer contribution reserve for capital works and Accelerated Power Development & Reforms Programme (APDRP) Grant in Aid**

Under Previous GAAP, the Group recorded the amounts received from customers and government to connect the distribution network in license are of Mumbai and Delhi as a part of Reserves and Surplus in its financial statements. Under the guidance of Appendix C of Ind AS 18, such amounts received from customers are considered as received to provide the customers an ongoing supply of electricity. Hence, these amounts are recorded as deferred income or an income received in advance i.e. a liability in Ind AS. Ind AS 20 on Government grant requires amounts received from the government towards capital assets to be recorded as deferred income to be amortised over the useful life of the asset for which the grant has been received.

**Note 7: Contingency Reserve**

Under Previous GAAP, the Group transferred amounts from the Statement of Profit and Loss to a Contingencies reserve fund required under the Repealed Electricity (Supply Act), 1948 and Tariff Regulations which was disclosed under Reserves and Surplus. Under Ind AS, this amount is treated as a liability.

### Note 8: Treasury Shares

Reliance Infrastructure ESOS Trust has in substance acted as an agent and the Parent Company as a sponsor retains the majority of the risks rewards relating to funding arrangement. Accordingly, the Parent Company has recognised issue of shares to the Trust as the issue of treasury shares and deducted from equity by consolidating Trust into financial statements of the Parent Company.

### Note 9: Arrangement containing Lease

Appendix C of Ind AS 17 'Determining whether an Arrangement contains a Lease' is applicable to the power purchase agreement of the Parent Company with Vidarbha Industries Power Limited (VIPL). The Parent Company has contracted for 600 MW power on long-term basis from VIPL's 2X300 MW thermal plant located at Butibori, District Nagpur in the State of Maharashtra. This long-term power purchase agreement is dependent on the use of the specified plant in Butibori and allows the Parent Company to ensure that no party other than itself has the ability to obtain more than an insignificant amount of output from these specified plants. Further, the contracted price is neither fixed per unit nor equal to the market price per unit as of the time of delivery of the output.

The tariff for purchase of power is MERC approved and determined as under Section 62 of the Electricity Act, 2003. The present value of fixed charges reimbursable to VIPL under the power purchase agreement i.e. minimum lease payments at the inception of the contract amount to substantially all of the fair value of the thermal power plant. Therefore, the arrangement is classified finance lease.

### Note 10: Borrowings

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method.

Under Previous GAAP, these transaction costs were charged to the Statement of Profit and Loss as and when incurred or capitalised if incurred before the capitalisation date in case of specific borrowings. Accordingly, borrowings as at March 31, 2016 and April 01, 2015 have been reduced by ₹ 123.51 Crore and ₹ 212.13 Crore respectively with a corresponding adjustment to Statement of Profit and Loss and retained earnings respectively. The total equity increased by an equivalent amount. The profit for the year ended March 31, 2016 was increased by ₹ 88.62 Crore because of such reduction in other Borrowing cost.

### Note 11: Proposed dividend

Under Previous GAAP, proposed dividends including dividend distribution tax (DDT) were recognised as a liability in the period to which they relate, irrespective of when the dividends are declared. Under Ind AS, a proposed dividend is recognised as liability in the period in which it is declared by the Company i.e. when approved by shareholders in a general meeting or paid.

In the case of the Parent Company, the declaration of dividend has happened after the end of the reporting period. Therefore, the dividend liability (proposed dividend) of ₹ 253.22 Crore (including dividend tax of ₹ 42.83 Crore) for the year ended April 01, 2015 and ₹ 269.05 Crore (including dividend tax of ₹ 45.51 Crore) for the year ended March 31, 2016 recorded for proposed dividend has been derecognised from retained earnings.

### Note 12: Control assessment under Ind AS

Under Previous GAAP, an investor was said to control an investee if he has the ability to appoint a more than half of the Board of Directors or held more than half of the voting rights. Under Ind AS, the investor controls an investee if he has (i) power over the investee, (ii) exposure, or rights, to variable returns from its involvement with the investee, and (iii) the ability to use its power over the investee to affect the amount of the investor's returns. The following entities have become subsidiaries of the Group based on the evaluation under the new model as of April 1, 2015. These entities were not subsidiaries as per the guidance of the Previous GAAP.

- a) BSES Rajdhani Power Limited
- b) BSES Yamuna Power Limited
- c) Delhi Airport Metro Express Private Limited
- d) Mumbai Metro Transport Private Limited
- e) Reliance Delhi Metro Trust
- f) Spice Commerce and Trade Private Limited
- g) Space Trade Enterprises Private Limited
- h) Skyline Global Trade Private Limited
- i) Reliance Toll Road Trust
- j) Tamil Nadu Industries Captive Power Group Limited
- k) SU Toll Road Private Limited
- l) TD Toll Road Private Limited
- m) TK Toll Road Private Limited



Notes annexed to and forming part of the Consolidated Financial Statements

- n) JR Toll Road Private Limited
- o) Worldcom Solutions Limited
- p) Hirma Power Limited
- q) Jayamkondam Power Limited
- r) Reliance Thermal Energy Limited
- s) Noida Global Sez Private Limited
- t) Globetech Advisory Services Limited

**Note 13: Equity method of accounting – Joint Venture and Associates**

The joint venture and associate's previous GAAP net worth was considered for equity method of accounting. Under Ind AS, the share of net worth and profit under Ind AS is considered for the purpose of equity method of accounting.

**Note 14: Deferred tax**

Under Previous GAAP, deferred tax accounting was under the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 "Income Tax" approach has resulted in recognition of deferred taxes on temporary differences that were not required to be recorded under Previous GAAP.

In addition, the various transitional adjustments have led to deferred tax implications that the Group has accounted for. Deferred tax adjustments are recognised in correlation to the underlying transaction in either retained earnings or other comprehensive income, on the date of transition.

**Note 15: Re measurements of post-employment benefit obligations**

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the Previous GAAP, these Remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended March 31, 2016 increased by ₹ 26.36 Crore. There is no impact on the total equity as at March 31, 2016.

**Note 16: Foreign Currency Monetary Items Translation Difference Accounts (FIMTDA)**

On account of fair valuation of financial instruments held in foreign currency as at April 01, 2015, there is corresponding reduction of ₹ 313.33 Crore in the balance of FMITDA as per the Ind AS accounts and the Previous GAAP accounts. However, there is no impact on Other Equity.

**Note 17: Assignment**

Under the Previous GAAP, during the year ended March 31, 2016 the Parent Company had assigned its buyers credit liability (availed from various Banks / Financial Institution) of ₹ 2,578.99 Crore and ₹ 758.27 Crore to Samalkot Power Limited (Samalkot) and Reliance Cleangen Limited (Cleangen) respectively and also assigned its receivables of ₹ 2,328.67 Crore from Samalkot and Inter Corporate Deposit of ₹ 250.32 Crore and ₹ 758.27 Crore to Samalkot and Cleangen respectively. Since, the Parent Company could not obtain the requisite approvals from the lenders, under Ind AS, such assignment did not meet the derecognition criteria and the same has been reversed as at March 31, 2016.

Accordingly, Buyer's Credit liability of ₹ 3,337.26 Crore, Receivables of ₹ 2,328.67 Crore and Inter Corporate Deposit of ₹ 1,008.59 Crore has been increased as on March 31, 2016.

**Note 18: Derivatives and Forward Contracts**

Under the previous GAAP the premium or discount arising at the inception of forward exchange contracts entered into to hedge an existing asset/liability, was amortised as expense or income over the life of the contract. Under the Ind AS 109, Forward Contracts are carried at fair value and the resultant gains and losses are recorded in the consolidated statement of Profit and Loss. Accordingly, the same has been fair valued resulting in decrease by ₹ 5.25 Crore as at March 31, 2016 and increase in equity by ₹ 8.88 Crore as at April 01, 2015).

Under the previous GAAP the gains pursuant to the clarification of ICAI on March 29, 2008 on accounting of derivatives contracts, the Group does not recognize gain on the mark to market valuation of the derivative instruments on a prudence basis. However under Ind AS 109, the derivative financial instruments are initially recognized at fair value and any change in the value on subsequent remeasurement whether gains or losses is recognized in the Consolidated Statement of Profit and Loss

**Note 19: Retained Earnings**

Retained earnings as at April 01, 2015 has been adjusted consequent to the above Ind AS transition adjustments.

**Note 20: Other Comprehensive Income**

Under Ind AS, all items of income and expense recognised in a period should be included in consolidated statement of profit and loss for the year, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the Consolidated Statement of Profit and Loss as 'other comprehensive income' includes Remeasurements of post-employment benefit obligation.

# Reliance Infrastructure Limited

## Notes annexed to and forming part of the Consolidated Financial Statements

### 46. Financial Instrument and Risk Management

#### Note A : Fair value measurements

##### (a) Financial instruments by category

Particulars	As at March 31, 2017			As at March 31, 2016			As at April 01, 2015		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial assets</b>									
Investments									
- Equity instruments	3.73	-	-	56.83	-	-	63.73	-	-
- Preference shares	1,302.81	-	-	1,153.65	-	-	980.71	-	-
- Debentures	886.06	-	-	777.24	-	-	884.11	-	-
- Mutual funds	254.19	-	-	282.39	-	-	367.35	-	-
- Government securities	-	-	127.28	-	-	111.87	-	-	114.99
Trade receivables	-	-	5,683.54	-	-	5,883.88	-	-	6,976.19
Service concession receivables	-	-	1,216.15	-	-	1,382.28	-	-	1,291.53
Loans	-	-	11,061.69	-	-	10,663.53	-	-	7,031.95
Security deposits	-	-	140.11	-	-	146.70	-	-	121.28
Amounts due from customers for contract work	-	-	328.64	-	-	441.69	-	-	453.40
Derivative financial assets	0.02	-	-	11.68	-	-	10.38	-	-
Other receivables	-	-	1,125.88	-	-	332.84	-	-	774.04
Interest accrued /receivable	-	-	490.29	-	-	72.50	-	-	76.55
Receivable from DMRC	-	-	966.20	-	-	766.29	-	-	516.85
Claim receivable from NHAI	-	-	24.41	-	-	7.81	-	-	7.53
Grant receivable from NHAI	-	-	113.44	-	-	66.44	-	-	31.12
Unbilled revenue	-	-	336.40	-	-	369.43	-	-	332.07
Cash and cash equivalents	-	-	564.02	-	-	376.60	-	-	500.56
Bank Balances other than Cash and cash equivalents	-	-	113.92	-	-	104.32	-	-	94.13
Margin money with Banks	-	-	39.72	-	-	45.82	-	-	39.39
Bank deposits with more than 12 months maturity	-	-	10.28	-	-	39.28	-	-	66.30
<b>Total financial assets</b>	<b>2,446.81</b>	<b>-</b>	<b>22,341.97</b>	<b>2,281.79</b>	<b>-</b>	<b>20,811.28</b>	<b>2,306.28</b>	<b>-</b>	<b>18,427.88</b>
<b>Financial liabilities</b>									
Borrowings (including finance lease obligations and interest accrued)	-	-	31,331.36	-	-	35,273.83	-	-	34,727.72
Trade payables	-	-	21,170.75	-	-	18,541.92	-	-	15,733.05
Security deposits	-	-	377.77	-	-	356.15	-	-	323.96
Deposits from Consumers	-	-	1,545.52	-	-	1,482.87	-	-	1,351.20
Amount due to Customers for Contract work	-	-	1,197.54	-	-	1,675.00	-	-	1,864.59
NHAI premium payable	-	-	2,629.44	-	-	2,524.73	-	-	2,032.10
Derivative financial liabilities	19.06	-	-	44.93	-	-	18.09	-	-
Financial guarantee obligation	-	-	10.33	-	-	12.90	-	-	21.37
Unpaid dividends	-	-	14.32	-	-	13.32	-	-	12.55
Other Payable	-	-	165.68	-	-	222.98	-	-	171.21
Creditors for capital expenditure	-	-	776.84	-	-	1,072.69	-	-	1,259.90
<b>Total financial liabilities</b>	<b>19.06</b>	<b>-</b>	<b>59,219.55</b>	<b>44.93</b>	<b>-</b>	<b>61,176.39</b>	<b>18.09</b>	<b>-</b>	<b>57,497.65</b>

##### (b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Notes annexed to and forming part of the Consolidated Financial Statements

Assets and liabilities measured at fair value – recurring fair value measurements at March 31, 2017	Level 1 (₹ Crore)	Level 2 (₹ Crore)	Level 3 (₹ Crore)	Total (₹ Crore)
<b>Financial instruments at FVTPL</b>				
Equity instruments	-	-	3.73	3.73
Preference shares	-	-	1,302.81	1,302.81
Debentures	-	-	886.06	886.06
Mutual funds	254.19	-	-	254.19
<b>Derivatives not designated as hedges</b>				
Derivative financial liability	-	19.06	-	19.06
Derivative financial assets	-	0.02	-	0.02
Assets and liabilities for which fair values are disclosed at March 31, 2017	Level 1 (₹ Crore)	Level 2 (₹ Crore)	Level 3 (₹ Crore)	Total (₹ Crore)
<b>Non-financial assets</b>				
Investment property	-	-	558.42	558.42
<b>Financial assets</b>				
Government securities	128.10	-	-	128.10
Service concession receivables	-	-	1,220.30	1,220.30
Security deposits	-	-	140.11	140.11
Unbilled revenue	-	-	336.40	336.40
Interest accrued/ receivable	-	-	490.29	490.29
<b>Investments in equity instruments of associates</b>				
Reliance Power Limited	5,829.71	-	-	5,829.71
Reliance Defence and Engineering Limited	1,521.76	-	-	1,521.76
<b>Financial liabilities</b>				
Borrowings (including finance lease obligations and interest accrued thereon)	-	-	31,403.05	31,403.05
Financial guarantee obligation	-	-	10.33	10.33
NHAI premium payable	-	-	2,629.44	2,629.44
Assets and liabilities measured at fair value – recurring fair value measurements at March 31, 2016	Level 1 (₹ Crore)	Level 2 (₹ Crore)	Level 3 (₹ Crore)	Total (₹ Crore)
<b>Financial instruments at FVTPL</b>				
Equity instruments	25.46	-	31.37	56.83
Preference shares	-	-	1,153.65	1,153.65
Debentures	-	-	777.24	777.24
Mutual funds	282.39	-	-	282.39
<b>Derivatives not designated as hedges</b>				
Derivative financial liability	-	44.93	-	44.93
Derivative financial assets	-	11.68	-	11.68

# Reliance Infrastructure Limited

## Notes annexed to and forming part of the Consolidated Financial Statements

Assets and liabilities for which fair values are disclosed at March 31, 2016	Level 1 (₹ Crore)	Level 2 (₹ Crore)	Level 3 (₹ Crore)	Total (₹ Crore)
<b>Non-financial assets</b>				
Investment property	-	-	589.42	589.42
<b>Financial assets</b>				
Government securities	112.08	-	-	112.08
Service concession receivables	-	-	1,393.52	1,393.52
Security deposits	-	-	146.70	146.70
Unbilled revenue	-	-	369.43	369.43
Interest accrued / receivable (Secured)	-	-	72.50	72.50
<b>Investments in equity instruments of associates</b>				
Reliance Power Limited	5,987.27	-	-	5,987.27
Reliance Defence and Engineering Limited	1,494.50	-	-	1,494.50
<b>Financial liabilities</b>				
Borrowings (including finance lease obligations and interest accrued thereon)	-	-	35,476.62	35,476.62
Financial guarantee obligation	-	-	12.90	12.90
NHAI premium payable	-	-	2,524.73	2,524.73
<b>Assets and liabilities measured at fair value - recurring fair value measurements at April 01, 2015</b>	<b>Level 1 (₹ Crore)</b>	<b>Level 2 (₹ Crore)</b>	<b>Level 3 (₹ Crore)</b>	<b>Total (₹ Crore)</b>
<b>Financial instruments at FVTPL</b>				
Equity instruments	34.28	-	29.45	63.73
Preference shares	-	-	980.71	980.71
Debentures	-	-	884.11	884.11
Mutual funds	367.35	-	-	367.35
<b>Derivatives not designated as hedges</b>				
Derivative financial liability	-	18.09	-	18.09
Derivative financial assets	-	10.38	-	10.38
<b>Assets and liabilities for which fair values are disclosed at April 01, 2015</b>	<b>Level 1 (₹ Crore)</b>	<b>Level 2 (₹ Crore)</b>	<b>Level 3 (₹ Crore)</b>	<b>Total (₹ Crore)</b>
<b>Financial assets</b>				
Government securities	115.22	-	-	115.22
Service concession receivables	-	-	1,360.15	1,360.15
Security deposits	-	-	121.28	121.28
Unbilled revenue	-	-	332.07	332.07
Interest accrued/receivable	-	-	76.55	76.55
<b>Investments in equity instruments of associates</b>				
Reliance Power Limited	6,689.59	-	-	6,689.59
<b>Financial liabilities</b>				
Borrowings (including finance lease obligations and interest accrued thereon)	-	-	35,860.15	35,860.15
Financial guarantee obligation	-	-	21.37	21.37
NHAI premium payable	-	-	2,032.10	2,032.10

Notes annexed to and forming part of the Consolidated Financial Statements

Assets and liabilities for which fair values are disclosed at April 01, 2015	Level 1 (₹ Crore)	Level 2 (₹ Crore)	Level 3 (₹ Crore)	Total (₹ Crore)
<b>Property, plant and equipment</b>				
Freehold Land	-	-	2,684.02	2,684.02
Leasehold Land	-	-	54.28	54.28
Buildings	-	-	2,029.14	2,029.14
Plant and Machinery	-	-	11,846.05	11,846.05
Distribution Systems	-	-	7,650.25	7,650.25
Railway Siding	-	-	8.20	8.20
Furniture and Fixtures	-	-	47.86	47.86
Vehicles	-	-	23.33	23.33
Office Equipment	-	-	61.91	61.91
Computers	-	-	51.31	51.31
Electrical Installations	-	-	20.89	20.89

There were no transfers between any levels during the year

**Level 1 :** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have a quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, preference shares and debentures which are included in level 3.

(c) **Valuation technique used to determine fair value**

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- the fair value of forward foreign exchange contracts and principal swap is determined using forward exchange rates at the balance sheet date.
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis and Earnings/EBITDA multiple method.

All of the resulting fair value estimates are included in level 1 and 2 except for unlisted equity securities, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

(d) **Fair value measurements using significant unobservable inputs (level 3)**

The following table presents the changes in level 3 items for the periods ended March 31, 2017 and March 31, 2016:

Particulars	₹ Crore
<b>As at April 01, 2015</b>	<b>1,894.27</b>
Fair value gains/(losses) recognised in Consolidated Statement of Profit and Loss (unrealised)	298.99
Interest received recognized in Consolidated Statement of Profit and Loss	(231.00)
<b>As at March 31, 2016</b>	<b>1,962.26</b>
Other fair value gains/(losses) recognised in Consolidated Statement of Profit and Loss (unrealised)	264.25
Realised gain on disposal recognised in Consolidated Statement of Profit and Loss	77.17
Sale	(111.06)
<b>As at March 31, 2017</b>	<b><u>2,192.60</u></b>

# Reliance Infrastructure Limited

## Notes annexed to and forming part of the Consolidated Financial Statements

### (e) Valuation processes

The finance department of the group obtains assistance of independent and competent third party valuers to perform the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This experts report to the financial risk management team, chief financial officer (CFO) and the audit committee (AC). Discussions of valuation processes and results are held between the CFO, AC and the valuation team at least once every three months, in line with the group's quarterly reporting periods.

The main level 3 inputs used by the group are derived and evaluated as follows:

- Discount rates are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.
- Risk adjustments specific to the counterparties (including assumptions about credit default rates) are derived from credit risk grading determined by the Group's internal credit risk management group.
- For unlisted equity securities, their fair values are estimated based on the book values of the companies / the companies / Earnings / EBITDA multiple methods..

### (f) Fair value of financial assets and liabilities measured at amortised cost

Particulars	₹ Crore					
	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>						
Government securities	127.28	128.10	111.87	112.08	114.99	115.22
Service concession receivables	1,216.15	1,220.30	1,382.28	1,393.52	1,291.53	1,360.15
Security deposits	140.11	140.11	146.70	146.70	121.28	121.28
Amount due from customer for contract work	328.64	328.64	441.69	441.69	453.40	453.40
Unbilled revenue	336.40	336.40	369.43	369.43	332.07	332.07
Interest accrued/receivable	490.29	490.29	72.50	72.50	76.55	76.55
<b>Financial liabilities</b>						
Borrowings (including finance lease obligations and interest accrued thereon)	31,331.37	31,403.05	35,273.83	35,476.62	34,727.72	35,860.15
Financial guarantee obligation	10.33	10.33	12.90	12.90	21.37	21.37
NHAI premium payable	2,629.44	2,629.44	2,524.73	2,524.73	2,032.10	2,032.10

The carrying amounts of trade receivables, trade payables, advances to employees including interest thereon, short term security deposits, deposits from customers, amount due from / to customers for contract work, unpaid dividends, bank deposits with original maturity of more than 3 months but less than 12 months, grants/claims receivable/payable from / to regulators (NHAI and DMRC), bank deposits with more than 12 months maturity, Loans, other current receivables and payables capital creditors and cash and cash equivalents are considered to have their fair values approximately equal to their carrying values. The fair values for other assets and liabilities were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy if there is inclusion of unobservable inputs including counterparty credit risk. The fair values of non-current borrowings and finance lease obligations are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

					₹ Crore
Particulars	Fair value as at			Valuation technique	Significant unobservable inputs and range
	March 31, 2017	March 31, 2016	April 01, 2015		
Equity instruments	3.73	31.37	29.45	Earnings/EBITDA multiple method	Earnings growth factor: 7% to 9%
Preference shares	1,302.81	1,153.65	980.71	Discounted cash flow	Discount rate: 12.5% to 16%
Debentures	886.06	777.24	884.11		

**Notes annexed to and forming part of the Consolidated Financial Statements**

Relationship to observable inputs to fair value:

Rate increase by 100 basis points would result in reduction in fair value and decrease the profit and equity for March 31, 2017 by ₹ 127.19 crore (March 31, 2016: ₹ 121.16 crore). A rate decrease would have led to an increase in fair value, profit and equity for March 31, 2017 by ₹ 141.58 crore (March 31, 2016: ₹ 135.85 crore).

100 basis points change in the unobservable input for unquoted equity instruments does not have a significant impact in its value.

**Note B : Financial Risk Management**

The group's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The group's senior management has overall responsibility for the establishment and oversight of the group's risk management framework. The group has constituted a Risk Management Committee, which is responsible for developing and monitoring the group's risk management policies. The key risks and mitigating actions are also placed before the Audit Committee of the group. The group's risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group's activities.

The Risk Management Committee of the group is supported by the Finance team and experts of respective business divisions that provides assurance that the group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the group's policies and risk objectives. The activities are designed to:

- protect the group's financial results and position from financial risks
- maintain market risks within acceptable parameters, while optimising returns; and
- protect the group's financial investments, while maximising returns.

The Treasury department provides funding and foreign exchange management services for the group's operations. In addition to guidelines and exposure limits, a system of authorities and extensive independent reporting covers all major areas of treasury's activity.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk in the financial statements.

<b>Risk</b>	<b>Exposure arising from</b>	<b>Measurement</b>	<b>Management</b>
Credit Risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost.	Aging analysis Credit rating	Diversification of bank deposits, credit limits and letters of credit
Liquidity Risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – foreign exchange	Highly probable forecast transactions, firm commitments, recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts, Principal only swaps, Cross currency swaps
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Interest rate swaps
Market risk – security prices	Investments in equity securities and mutual funds	Sensitivity analysis	Portfolio diversification

The group's risk management is carried out by a central treasury department (group treasury) under policies approved by the board of directors. Group treasury identifies, evaluates and hedges financial risks in close cooperation with the group's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

**a) Credit risk**

The group is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk arises from cash and cash equivalents, investments carried at amortised cost or fair value through profit & loss and deposits with banks and financial institutions, as well as credit exposures to trade/non-trade customers including outstanding receivables.



### (i) Credit risk management

Credit risk is managed at segment level, subsidiary entity level, parent entity/group level depending on the policy surrounding credit risk management. For banks and financial institutions, only high rated banks/institutions are accepted. Generally all policies surrounding credit risk have been managed at parent entity or group level except for those surrounding accounts receivable balances. Each subsidiary entity and segment of the parent is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. For other financial assets, the group assesses and manages credit risk based on internal credit rating system. The finance function consists of a separate team who assess and maintain an internal credit rating system. Internal credit rating is performed on a group basis for each class of financial instruments with different characteristics. The group assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

Rating 1: High-quality assets, negligible credit risk

Rating 2: Quality assets, low credit risk

Rating 3: Medium to low quality assets, Moderate to high credit risk

Rating 4: Doubtful assets, credit-impaired

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 ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- Internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the customer's ability to meet its obligations
- actual or expected significant changes in the operating results of the customer
- significant increase in credit risk on other obligations of the same customer
- significant changes in the value of the collateral supporting the obligation
- Significant changes in the expected performance and behaviour of the customer, including changes in the operating results of the customer.

Macro economic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model. A default on a financial asset is when the counterparty fails to make contractual payments within 60 days of when they fall due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. In respect of the Distribution Business of the Group, the Group decides the amount of the Provision for Expected Loss (Provision for Doubtful Debts) based on the connection status of the consumers. Any dues for more than six months in respect of disconnected consumers and for more than 2 years in respect of connected consumers are provided for. In respect of the EPC Business of the Group, the Group decides the amount of the Provision for Expected Loss (Provision for Doubtful Debts) after a period of 3 years from the date the amount receivable becomes due. Where receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

Notes annexed to and forming part of the Consolidated Financial Statements

(ii) Provision for expected credit losses

The group provides for expected credit loss based on the following:

Category	Description of category	Internal rating	Basis for recognition of expected credit losses (Investments and loans, Security deposits, other deposits and receivables)
High quality assets, negligible credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil	Rating 1	12-month expected credit losses
Quality assets, low credit risk	Assets where there is low risk of default and where the counter-party has sufficient capacity to meet the obligations and where there has been low frequency of defaults in the past	Rating 2	12-month expected credit losses
Medium to low quality assets, Moderate to high credit risk	Assets where there is a moderate to high probability of default. In general, assets where contractual payments are more than 60 days past due are categorised as medium to low quality assets. Also includes assets where the credit risk of counter-party has increased significantly since initial recognition though payments may not be more than 60 days past due	Rating 3	12-month expected credit losses for financial assets for which credit risk has not increased significantly since initial recognition. For others Lifetime expected credit losses
Doubtful assets, credit-impaired	Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the Group. Where loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.	Rating 4	Asset is written off

**Trade receivables, retentions on contract and amounts due from customers for contract work**

"The Group has businesses where it collects fare from customers prior to rendering of services viz Metro and Toll roads; these businesses do not have exposure to credit risk. In case of transmission and generation business, regulator approved tariff is receivable from long-term transmission customers (LTTCs) and Discoms that are highly rated companies or government parties. Counterparty credit risk with respect to these receivables is very low. In respect of construction contracts, the Group has receivables from associate companies where the management perceives the risk of recovery to be remote.

The Group considers for impairment its receivables from customers in its Mumbai and Delhi distribution business. The risk of recovery in these businesses is reduced to the extent of security deposits already collected and held as collaterals. Balance amount receivable over and above the deposit is assessed for expected credit loss allowances. However, the Group has assessed that the concentrations of risk in these balance is not material considering the high collection efficiency."

**Investments other than equity instruments and receivables trade receivables, retentions on contract and amounts due from customers for contract work.**

"The Group has investments in Central Government securities which enjoy sovereign credit rating which is negligible. Management does not believe there is a risk of non-recoverability in such investments.

Investments in financial assets other than equity instruments, trade receivables, retentions on contract and amounts due from customers for contract work are exposed to the risk of loss that may occur in future from the failure of counterparties or issuers to make payments according to the terms of the contract. The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial instruments presented in the balance sheet."

# Reliance Infrastructure Limited

## Notes annexed to and forming part of the Consolidated Financial Statements

Year ended March 31, 2017:

(a) Expected credit loss for financial assets where general model is applied ₹ Crore

Particulars		Asset group	Internal credit rating	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of provision
Financial assets for which credit risk has / has not increased significantly since initial recognition	Loss allowance measured at 12 month / Life time expected credit losses	Government Securities	Rating 1	127.28	0%	-	127.28
		Security deposits	Rating 2	157.89	11%	17.78	140.11
		Service concession receivables	Rating 1	1,216.15	0%	-	1,216.15
		Other receivables	Rating 1	3,106.62	0%	-	3,106.62
		Loans	Rating 2/3	13,681.26	19%	2,619.57	11,061.69

Year ended March 31, 2016:

(b) Expected credit loss for financial assets where general model is applied ₹ Crore

Particulars		Asset group	Internal credit rating	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of provision
Financial assets for which credit risk has / has not increased significantly since initial recognition	Loss allowance measured at 12 month / Life time expected credit losses	Government Securities	Rating 1	111.87	0%	-	111.87
		Security deposits	Rating 2	161.35	9%	14.65	146.70
		Service concession receivables	Rating 1	1,382.28	0%	-	1,382.28
		Other receivables	Rating 1	1,700.41	0%	-	1,700.41
		Loans	Rating 2/3	13,263.90	20%	2,600.37	10,663.53

Year ended April 01, 2015:

(a) Expected credit loss for financial assets where general model is applied ₹ Crore

Particulars		Asset group	Internal credit rating	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of provision
Financial assets for which credit risk has / has not increased significantly since initial recognition	Loss allowance measured at 12 month / Life time expected credit losses	Government Securities	Rating 1	114.99	0%	-	114.99
		Security deposits	Rating 2	136.58	11%	15.30	121.28
		Service concession receivables	Rating 1	1,291.53	0%	-	1,291.53
		Other receivables	Rating 1	1,843.85	0%	-	1,843.85
		Loans	Rating 2/3	9,191.11	23%	2,159.16	7,031.95

(iii) Reconciliation of loss allowance provision – Trade receivables, retentions on contract and amounts due from customers for contract work under simplified approach

₹ Crore

Reconciliation of loss allowance	Lifetime expected credit losses measured using simplified approach
Loss allowance on April 01, 2015	459.00
Changes in loss allowance	(25.06)
Loss allowance on March 31, 2016	433.94
Changes in loss allowance	13.79
<b>Loss allowance on March 31, 2017</b>	<b>447.73</b>

Notes annexed to and forming part of the Consolidated Financial Statements

- (iv) **Reconciliation of loss allowance provision – Other than trade receivables, retentions on contract and amounts due from customers for contract work under general model approach**

₹ Crore

Reconciliation of loss allowance	Loss allowance measured at 12 month / Life time expected losses
Loss allowance on April 01, 2015	2,174.46
Add (Less): Changes in loss allowances due to Assets originated or purchased (net)	440.56
Loss allowance on March 31, 2016	2,615.02
Add (Less): Changes in loss allowances due to Assets originated or purchased (net)	22.33
<b>Loss allowance on March 31, 2017</b>	<b>2,637.35</b>

b) **Liquidity risk**

- (i) "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 and to close out market positions. Due to the dynamic nature of the underlying businesses, Group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Group's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the Group in accordance with practice and limits set by the Group. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans."

(ii) **Maturities of financial liabilities**

The tables below analyse the Group's financial liabilities into relevant maturity based on their contractual maturities for:

- all non-derivative financial liabilities, and
- net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The following are contractual maturity of financial liability at the reporting date. The amount are gross and undiscounted, and includes contractual interest payment.

₹ Crore

Contractual maturities of financial liabilities March 31, 2017	Less than 1 year	More than 1 year	Total
<b>Non-derivatives</b>			
Borrowings	12,408.54	19,937.11	32,345.65
Finance lease obligations	509.47	10,396.79	10,906.26
Trade payables	21,165.77	4.98	21,170.75
Security and other deposits	1,913.72	9.57	1,923.29
NHAI premium payable	143.22	7,089.84	7,233.06
Financial guarantee obligation	-	10.33	10.33
Creditors for capital expenditure	776.84	-	776.84
Amount due to customers for contract work	1,197.54	-	1,197.54
Other finance liabilities	510.54	226.56	737.10
<b>Total non-derivative liabilities</b>	<b>38,625.64</b>	<b>37,675.18</b>	<b>77,300.82</b>
<b>Derivatives (net settled)</b>			
Forward Contracts	5.79	-	5.79
Principal Only Swap	-	13.27	13.27
<b>Total derivative liabilities</b>	<b>5.79</b>	<b>13.27</b>	<b>19.06</b>

# Reliance Infrastructure Limited

## Notes annexed to and forming part of the Consolidated Financial Statements

₹ Crore			
Contractual maturities of financial liabilities March 31, 2016	Less than 1 year	More than 1 year	Total
<b>Non-derivatives</b>			
Borrowings	12,799.74	24,826.95	37,626.69
Finance lease obligations	509.47	10,911.10	11,420.57
Trade payables	18,289.10	280.30	18,569.40
Security and other deposits	1,830.18	8.84	1,839.02
NHAI premium payable	110.16	7,299.20	7,409.36
Financial guarantee obligation	-	12.90	12.90
Creditors for capital expenditure	1,072.69	-	1,072.69
Amount due to customers for contract work	1,675.00	-	1,675.00
Other finance liabilities	433.20	257.57	690.77
<b>Total non-derivative liabilities</b>	<b>36,719.54</b>	<b>43,596.86</b>	<b>80,316.40</b>
<b>Derivatives (net settled)</b>			
Forward Contracts	44.93	-	44.93
<b>Total derivative liabilities</b>	<b>44.93</b>	<b>-</b>	<b>44.93</b>

₹ Crore			
Contractual maturities of financial liabilities April 01, 2015	Less than 1 year	More than 1 year	Total
<b>Non-derivatives</b>			
Borrowings	13,391.42	24,142.97	37,534.39
Finance lease obligations	509.47	11,420.57	11,930.04
Trade payables	15,308.41	493.14	15,801.55
Security and other deposits	1,665.18	9.98	1,675.16
NHAI premium payable	117.51	6,019.59	6,137.10
Financial guarantee obligation	-	21.37	21.37
Creditors for capital expenditure	1,259.90	-	1,259.90
Amount due to customers for contract work	1,864.59	-	1,864.59
Other finance liabilities	515.59	152.29	667.88
<b>Total non-derivative liabilities</b>	<b>34,632.07</b>	<b>42,259.91</b>	<b>76,891.98</b>
<b>Derivatives (net settled)</b>			
Forward Contracts	18.09	-	18.09
<b>Total derivative liabilities</b>	<b>18.09</b>	<b>-</b>	<b>18.09</b>

### c) Market risk

#### (i) Foreign currency risk

"The Group operates in a business that exposes it to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and EUR. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the Group is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

- (a) As per the risk management policy, foreign exchange forward contracts are taken to manage such risk. The Group also imports certain assets of capital nature which exposes it to foreign currency risk. To minimise the risk of imports, the Group enters into foreign exchange forward contracts.

Notes annexed to and forming part of the Consolidated Financial Statements

Particulars	March 31, 2017			March 31, 2016			April 1, 2015		
	USD	GBP	EUR	USD	GBP	EUR	USD	GBP	EUR
<b>Financial assets</b>									
Investment in preference shares	9.81	-	-	8.72	-	-	7.75	-	-
Trade Receivable	27.20	-	0.72	28.45	-	1.53	36.37	-	2.10
Bank balance in EEFC accounts	0.42	-	0.02	0.10	-	0.43	0.04	-	0.05
<b>Exposure to foreign currency risk (assets)</b>	<b>37.43</b>	<b>-</b>	<b>0.74</b>	<b>37.27</b>	<b>-</b>	<b>1.96</b>	<b>44.16</b>	<b>-</b>	<b>2.15</b>
<b>Financial liabilities</b>									
Foreign currency loan	16.01	-	-	31.52	-	-	29.27	-	-
Bank loan	3.12	-	-	51.80	-	-	62.72	0.01	0.17
Trade payables	10.69	0.01	2.68	13.75	0.02	2.92	19.80	0.02	0.39
<b>Derivative liabilities</b>									
Forward contracts	(2.06)	-	-	(37.70)	-	-	(36.94)	-	-
Principal only swap	(2.41)	-	-	(13.55)	-	-	-	-	-
Currency swap	-	-	-	(0.18)	-	-	(0.72)	-	-
<b>Net exposure to foreign currency risk (liabilities)</b>	<b>25.35</b>	<b>0.01</b>	<b>2.68</b>	<b>45.64</b>	<b>0.02</b>	<b>2.92</b>	<b>74.13</b>	<b>0.03</b>	<b>0.56</b>

(b) Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and from foreign forward exchange contracts.

Particulars	₹ Crore	
	Impact on profit before tax	
	March 31, 2017	March 31, 2016
<b>USD sensitivity</b>		
INR/USD -Increase by 6%*	41.53	(87.27)
INR/USD -decrease by 6%*	(41.53)	87.27

\*Holding all other variables constant

The outstanding Euro & GBP denominated balance being insignificant has not been considered for the purpose of sensitivity disclosures.

(ii) Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. Group policy is to maintain most of its borrowings at fixed rate using interest rate swaps to achieve this when necessary. During March 31, 2017 and March 31, 2016, the Group's borrowings at variable rate were mainly denominated in INR and USD.

The Group's fixed rate borrowings are carried at amortised cost. 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.

The Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Under these swaps, the Group agrees with other parties to exchange, at specified intervals (mainly quarterly), the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts. Generally, the Group raises long-term borrowings at floating rates and swaps them into fixed rates that are lower than those available if the Group borrowed at fixed rates directly.

(a) Interest rate risk exposure

The exposure of the group's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	₹ Crore		
	March 31, 2017	March 31, 2016	April 01, 2015
Variable rate borrowings	19,939.03	21,577.06	18,525.37
Fixed rate borrowings	6,617.82	8,972.79	11,406.31
<b>Total borrowings</b>	<b>26,556.85</b>	<b>30,549.85</b>	<b>29,931.68</b>

# Reliance Infrastructure Limited

## Notes annexed to and forming part of the Consolidated Financial Statements

As at the end of the reporting period, the Group had the following variable rate borrowings and interest rate swap contracts outstanding:

Particulars	March 31, 2017			March 31, 2016			April 01, 2015		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Bank overdrafts, bank loans	14.78%	19,939.03	75%	12.16%	21,577.06	71%	14.82%	18,525.37	62%
Interest rate swaps (notional principal amount)	6 months LIBOR + 325 bps	(179.63)		6 months LIBOR + 325 bps	(217.32)		6 months LIBOR + 325 bps	(238.75)	
<b>Net exposure to cash flow interest rate risk</b>		<b>19,759.39</b>			<b>21,359.08</b>			<b>18,286.62</b>	

An analysis by maturities is provided above. The percentage of total loans shows the proportion of loans that are currently at variable rates in relation to the total amount of borrowings.

### (b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	Impact on profit before tax	
	March 31, 2017	March 31, 2016
Interest rates – increase by 100 basis points*	(197.41)	(211.55)
Interest rates – decrease by 20 basis points*	39.08	42.75

### (iii) Price risk

#### (a) Exposure

The Group's exposure to equity securities price risk arises from unquoted equity investments and quoted mutual funds held by the Group and classified in the balance sheet as fair value through profit and loss. To manage its price risk arising from investments in equity securities, the Group invests only in accordance with the limits set by the Group. Other components of equity would increase/decrease as a result of gains/losses on equity securities classified as fair value through other comprehensive income.

#### (b) Sensitivity

Particulars	Impact on other components of equity	
	March 31, 2017	March 31, 2016
Price increase by 10%	25.79	33.92
Price decrease by 10%	(25.79)	(33.92)

## 47. Capital Management

(a) The Group considers the following components of its Balance Sheet to be managed capital:

1. Total equity – retained profit, general reserves and other reserves, share capital, share premium
2. Working capital.

The Group manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. The capital structure of the Group is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets.



## Notes annexed to and forming part of the Consolidated Financial Statements

The Group's aims to translate profitable growth to superior cash generation through efficient capital management. The Group's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditor, and market confidence and to sustain future development and growth of its business. The Group's focus is on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required, without impacting the risk profile of the Group. The Group will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The management monitors the return on capital as well as the level of dividends to shareholders. The Group's goal is to continue to be able to return excess liquidity to shareholders by continuing to distribute dividends in future periods.

### (b) Dividends

₹ Crore

Particulars	March 31, 2017*	March 31, 2016*
<b>Equity Shares</b>		
Final dividend for the year ended March 31, 2016 of ₹ 8.50 ( March 31, 2015 – ₹ 8.00) per fully paid share which was paid in the year 2016-17 and 2015-16 respectively	<b>251.39</b>	253.22
<b>Dividends not recognised at the end of the reporting period</b>		
In addition to the above dividends, since year end, the directors have recommended the payment of a final dividend of ₹ 9.00 per fully paid equity share (March 31, 2016 – ₹ 8.50). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	<b>284.87</b>	269.04
(*including dividend tax and net of set-off of write back of excess provision)		

As per our attached Report of even date  
**For Haribhakti & Co. LLP.**  
Chartered Accountants  
Firm Registration No. 103523W/W100048

**Bhavik L. Shah**  
Partner  
Membership No. 122071

**For Pathak H. D. & Associates**  
Chartered Accountants  
Firm Registration No. 107783W

**Vishal D. Shah**  
Partner  
Membership No. 119303

For and on behalf of the Board

**Anil D Ambani** DIN – 00004878  
**S Seth** DIN – 00004631  
**S S Kohli** DIN – 00169907  
**Dr V K Chaturvedi** DIN – 01802454  
**Ryna Karani** DIN – 00116930  
**V R Galkar** DIN – 00009177  
**K Ravikumar** DIN – 00119753  
**Shiv Prabhat** DIN – 07319520  
**Lalit Jalan**  
**Sridhar Narasimhan**  
**Ramesh Shenoy**

Chairman  
Vice Chairman

Directors

Chief Executive Officer  
Chief Financial Officer  
Company Secretary

Date : April 15, 2017  
Place : Mumbai

Date : April 15, 2017  
Place : Mumbai

Date : April 15, 2017  
Place : Mumbai

Form AOC - 1  
[Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014]  
Statement containing salient features of the financial statements of Subsidiaries/Associates/Joint Ventures

Part "A" Details of Subsidiaries

Name of entity	Date from which they became subsidiary company	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investment \$	Turnover ##	Profit / (Loss) before Taxation	Provision for Taxation	Profit / (Loss) after Taxation	% of shareholding
BSES Rajdhani Power Limited	April 01, 2015	1,040.00	292.07	13,626.01	12,293.94	-	9,323.30	128.00	19.79	108.21	51.00
BSES Yamuna Power Limited	April 01, 2015	556.00	171.36	10,430.89	9,703.53	-	5,190.19	41.93	7.99	33.94	51.00
BSES Kerala Power Limited	November 20, 2006	62.76	336.11	406.02	7.15	0.56	9.11	-50.97	-	-50.97	100.00
Reliance Power Transmission Limited	October 6, 2006	0.05	41.01	42.29	1.23	-	0.24	-19.70	0.08	-19.78	100.00
Parbati Koldam Transmission Company Limited	November 23, 2007	272.84	143.52	1,041.76	625.40	-	236.48	88.20	19.93	68.28	74.00
Mumbai Metro One Private Limited	February 28, 2007	512.00	-263.69	3,062.47	2,814.16	-	241.00	-273.49	-	-273.49	69.00
Mumbai Metro Transport Private Limited	April 01, 2015	0.05	0.42	0.57	0.10	-	-	-0.02	-	-0.02	48.00
Delhi Airport Metro Express Private Limited	April 01, 2015	0.01	1,659.22	3,736.53	2,077.30	0.01	1.10	-8.51	-	-8.51	95.00
Tamil Nadu Industries Captive Power Company Limited	April 01, 2015	36.51	-37.21	@	0.70	-	-	-0.03	-	-0.03	33.70
Reliance Sea Link One Private Limited	May 26, 2010	0.01	-0.01	-	-	-	-	-	-	-	90.00
SU Toll Road Private Limited	April 01, 2015	18.41	148.28	916.25	749.56	-	95.12	-30.65	2.29	-32.94	100.00
TD Toll Road Private Limited	April 01, 2015	10.74	61.84	438.65	366.07	-	38.19	-18.43	-5.29	-13.14	100.00
TK Toll Road Private Limited	April 01, 2015	12.76	295.83	702.07	393.48	-	51.79	-14.15	-5.21	-8.94	100.00
DS Toll Road Private Limited	May 23, 2008	5.21	53.34	393.48	334.93	12.62	70.35	0.32	-2.84	3.16	100.00
NK Toll Road Private Limited	May 23, 2008	4.48	31.62	313.55	277.45	4.92	34.88	-1.60	-10.18	8.58	100.00
GF Toll Road Private Limited	December 23, 2008	1.96	155.73	699.71	542.02	-	66.13	-46.63	-	-46.63	100.00
JR Toll Road Private Limited	April 01, 2015	0.01	71.90	470.45	398.54	-	45.30	-30.72	-10.70	-20.01	100.00
PS Toll Road Private Limited	February 09, 2010	0.01	1,525.60	3,630.74	2,105.13	-	424.72	-31.21	-17.46	-13.75	74.00
KM Toll Road Private Limited	February 04, 2010	3.41	349.71	1,606.31	1,253.19	-	108.08	-78.06	-28.97	-49.09	100.00
HK Toll Road Private Limited	May 19, 2010	3.71	337.00	1,901.11	1,560.40	-	123.07	-94.74	-21.07	-73.67	100.00
DA Toll Road Private Limited	May 26, 2010	9.02	823.85	2,134.07	1,301.20	-	842.80	4.67	-8.06	12.73	100.00
Nanded Airport Private Limited	September 29, 2009	2.85	-1.67	21.15	19.97	0.52	0.44	-3.52	-	-3.52	100.00
Baramati Airport Private Limited	September 29, 2009	2.13	13.29	26.12	10.70	0.60	0.62	-0.24	-	-0.24	100.00
Latur Airport Private Limited	September 29, 2009	0.83	3.36	6.32	2.13	0.02	0.12	-0.26	-	-0.26	100.00
Yavatmal Airport Private Limited	September 29, 2009	0.34	1.57	3.35	1.44	-	0.02	-0.24	-	-0.24	100.00
Osmanabad Airport Private Limited	September 29, 2009	0.80	5.63	9.57	3.14	-	0.01	-0.29	-	-0.29	100.00
Reliance Airport Developers Private Limited	September 25, 2009	7.14	63.76	82.98	12.08	-	-	-0.10	-	-0.10	100.00
CBD Tower Private Limited	May 21, 2008	190.44	-3.88	665.96	479.40	-	-	-	-	-	89.00
Reliance Energy Trading Limited	December 31, 2007	2.00	11.27	14.39	1.12	-	19.47	7.07	0.95	6.12	100.00
Reliance Cement Company Private Limited ^	September 05, 2009					-	680.64	32.17	-	32.17	-
Reliance Cement Corporation Private Limited *	September 05, 2009	0.13	-9.45	0.01	9.33	-	-	@	-	@	100.00
Reliance Electric Generation and Supply Limited *	January 19, 2009	0.05	-0.06	0.11	0.12	-	-	-0.01	-	-0.01	100.00
Utility Infrastructure and Works Private Limited	December 28, 2010	0.69	6.11	6.81	0.01	-	-	@	-	@	100.00
Reliance Defence Systems Private Limited	December 22, 2014	0.01	1,438.28	1,476.52	38.23	1,468.27	1.44	-7.07	0.25	-7.33	100.00

Name of entity	Date from which they became subsidiary company	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investment \$	Turnover ##	Profit / (Loss) before Taxation	Provision for Taxation	Profit / (Loss) after Taxation	% of shareholding
Reliance Defence Technologies Private Limited *	December 22, 2014	0.01	-0.01	@	@	-	-	@	-	@	100.00
Reliance Defence and Aerospace Private Limited *	December 22, 2014	0.01	-0.05	@	0.04	-	-	-0.01	-	-0.01	100.00
Reliance Defence Limited	Mar 28, 2015	0.05	28.98	32.37	3.34	-	5.46	-16.63	0.47	-17.10	100.00
Reliance Defence Infrastructure Limited *	April 27, 2015	0.05	-0.01	0.05	@	0.04	@	@	-	@	100.00
Reliance SED Limited *	May 2, 2015	0.05	-0.01	0.05	@	0.04	@	@	-	@	100.00
Reliance Propulsion Limited *	April 27, 2015	0.05	-0.01	0.05	@	0.04	@	@	-	@	100.00
Reliance Defence Systems and Tech Limited *	April 27, 2015	0.05	-0.65	0.13	0.73	0.04	@	-0.65	-	-0.65	100.00
Reliance Helicopters Limited *	April 27, 2015	0.05	-0.01	0.05	@	@	@	@	-	@	100.00
Reliance Land Systems Limited *	April 27, 2015	0.05	-0.02	0.03	@	0.03	@	@	-	@	100.00
Reliance Naval Systems Limited *	May 2, 2015	0.05	-0.01	0.04	0.01	0.03	@	@	-	@	100.00
Reliance Unmanned Systems Limited *	April 27, 2015	0.05	-0.01	0.05	@	0.04	@	@	-	@	100.00
Reliance Aerospace Limited *	April 27, 2015	0.05	-4.35	25.49	29.79	@	@	-2.78	-	-2.78	100.00
Reliance Cruise and Terminals Limited *	February 22, 2016	0.05	-0.01	0.05	@	-	-	-0.01	-	-0.01	100.00
Dassault Reliance Aerospace Limited *	February 10, 2017	-	-	-	-	-	-	-	-	-	51.00
Reliance Rafael Defence Systems Private Limited *	December 16, 2016	0.01	@	0.01	@	-	-	@	-	@	100.00
North Karanpura Transmission Company Limited	May 20, 2010	0.64	-1.05	19.14	19.55	-	@	-9.77	@	-9.77	100.00
Talcher II Transmission Company Limited	April 27, 2010	0.74	-1.02	18.71	18.99	-	@	-9.98	@	-9.98	100.00
Reliance Toll Road Trust	April 01, 2015	9.35	@	9.35	@	-	-	@	-	@	100.00
Reliance Delhi Metro Trust	April 01, 2015	0.01	@	0.01	@	-	-	@	-	@	100.00
Reliance Smart Cities Limited *	August 06, 2015	0.05	-0.01	0.04	@	-	-	-0.01	-	-0.01	100.00
Reliance E-Generation and Management Private Limited *	March 31, 2016	0.01	@	0.01	@	-	-	@	-	@	100.00
Reliance Energy Limited *	January 07, 2016	0.05	-0.01	0.04	@	-	-	@	-	@	100.00
Space Trade Enterprises Private Limited **	April 01, 2015	-	-	-	-	-	0.50	0.50	-	0.50	-
Spice Commerce and Trade Private Limited **	April 01, 2015	-	-	-	-	-	0.85	0.37	-	0.37	-
Skyline Global Trade Private Limited **	April 01, 2015	-	-	-	-	-	8.35	-0.18	-	-0.18	-
Western Transco Power Limited *	December 26, 2016	0.05	@	0.05	@	-	-	@	-	@	100.00
Western Transmission (Gujarat) Limited *	December 26, 2016	0.05	@	0.05	@	-	-	@	-	@	100.00
Reliance Infra Solutions Private Limited *	June 02, 2016	0.01	@	0.01	@	-	-	@	-	@	100.00
Worldcom Solutions Limited **	April 01, 2015	-	-	-	-	-	3.62	-0.01	-	-0.01	-
Hirma Power Limited **	April 01, 2015	-	-	-	-	-	0.04	@	-	@	-
Jayamkondam Power Limited **	April 01, 2015	-	-	-	-	-	15.79	-0.01	-	-0.01	-
Reliance Thermal Energy Limited **	April 01, 2015	-	-	-	-	-	@	@	-	@	-
Nodia Global SEZ Private Limited **	April 01, 2015	-	-	-	-	-	16.79	0.92	-	0.92	-
Globtech Advisory Services Limited **	April 01, 2015	-	-	-	-	-	@	-0.01	-	-0.01	-

\$ Other than investment in subsidiary ## including rate regulated income / (expenses) and other income. ^ Sold during the year.\* yet to commence business,\*\* upto September 30, 2016, \*@ figures below 50,000/-. None of the companies has proposed dividend

## Statement containing salient features of the financial statements of Subsidiaries/Associates/Joint Ventures

### Part "B" : Associates and Joint Ventures

Name of Associates/Joint Ventures	Date from which they became associates company	Latest audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company on year end		Extend of Holding %	Networth attributable to shareholding as per latest audited Balance Sheet (₹ Crore)	Profit/ (Loss) for the year		Discription of how there is significant influence	Reasons why the associate/ Joint venture is not consolidated
			No. of equity shares	Amount of Investments in Associates/ Joint Ventures (₹ Crore)			Considered in Consolidated (₹ Crore)	Not Considered in Consolidation		
<b>Associates</b>										
Reliance Power Limited	June 13, 2006	31.03.2017	1,21,19,98,193	2849.77	43.22	9,239.35	477.22	-	Note - A	-
Reliance Defence and Engineering Limited	January 08, 2016	31.03.2017	22,64,53,025	1468.27	30.76	1,318.34	(172.65)	-	Note - A	-
Metro One Operation Private Limited	April 01, 2009	31.03.2017	3,000	@	30.00	0.81	0.45	-	Note - A	-
Reliance Geo Thermal Power Private Limited	January 17, 2015	31.03.2017	2,500	@	25.00	-	@	-	Note - A	-
RPL Photon Private Limited	June 16, 2016	31.03.2017	5,000	0.01	50.00	@	@	-	Note - A	-
RPL Sun Technique Private Limited	June 16, 2016	31.03.2017	5,000	0.01	50.00	@	@	-	Note - A	-
RPL Sun Power Private Limited	June 16, 2016	31.03.2017	5,000	0.01	50.00	@	@	-	Note - A	-
<b>Joint Ventures</b>										
Utility Powertech Limited	November 23, 1995	31.03.2017	7,92,000	0.40	19.80	16.77	4.03	-	Note - B	-

Note A- There is significant influence due to percentage(%) of Share Capital.

Note B- There is significant influence as per share holding agreement.

For and on behalf of the Board

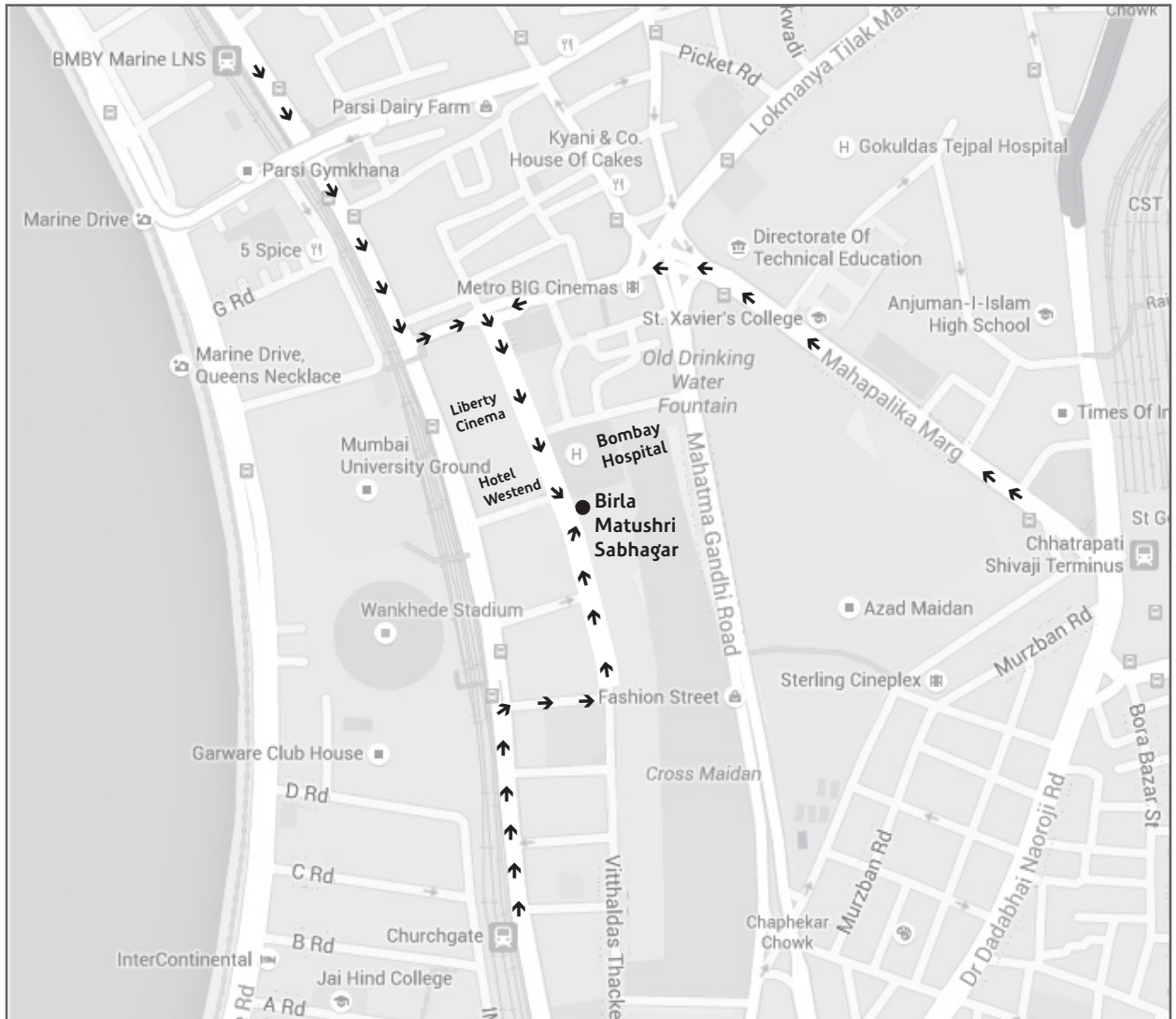
<b>Anil D Ambani</b>	DIN - 00004878	Chairman
<b>S Seth</b>	DIN - 00004631	Vice Chairman
<b>S S Kohli</b>	DIN - 00169907	Directors
<b>Dr V K Chaturvedi</b>	DIN - 01802454	
<b>Ryna Karani</b>	DIN - 00116930	
<b>V P Galkar</b>	DIN - 00009177	
<b>K Ravikumar</b>	DIN - 00119753	Chief Executive Officer Chief Financial Officer Company Secretary
<b>Shiv Prabhat</b>	DIN - 07319520	
<b>Lalit Jalan</b>		
<b>Sridhar Narasimhan</b>		
<b>Ramesh Shenoy</b>		

Date : April 15, 2017  
Place : Mumbai

Notes

## Route Map to the AGM Venue

Venue : Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020



**Landmark : Next to Bombay Hospital**

**Distance from Churchgate Station : 1 km**

**Distance from Chhatrapati Shivaji Terminus : 1.2 km**

**Distance from Marine Lines Station : 0.8 km**

**RELIANCE****Infrastructure****Reliance Infrastructure Limited**Registered Office: H Block, 1<sup>st</sup> Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710

Tel: +91 22 3303 1000 Fax: +91 22 3303 3664

Website: www.rinfra.com E-mail: rinfra@karvy.com

CIN:L75100MH1929PLC001530

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

**ATTENDANCE SLIP**

*DP Id.		Name & Address of the registered shareholder
Regd. Folio No./ *Client Id.		
No. of Share(s) held		

(\*Applicable for Members holding Shares in electronic form)

I hereby record my presence at the **88<sup>th</sup> ANNUAL GENERAL MEETING** of the Members of Reliance Infrastructure Limited held on Tuesday, September 26, 2017 at 12.00 noon or soon after the conclusion of the Annual General Meeting of Reliance Capital Limited convened on the same day, whichever is later, at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020,

Member's/Proxy's Signature

TEAR HERE

**PROXY FORM****RELIANCE****Infrastructure****Reliance Infrastructure Limited**Registered Office: H Block, 1<sup>st</sup> Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710

Tel: +91 22 3303 1000 Fax: +91 22 3303 3664

Website: www.rinfra.com E-mail: rinfra@karvy.com

CIN:L75100MH1929PLC001530

**FORM NO. MGT-11**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s):	
Registered Address:	
E-mail Id:	
*DP Id.	
Regd. Folio No./ *Client Id.	

(\*Applicable for Members holding Shares in electronic form)

I/We, being the member(s) of \_\_\_\_\_ shares of the above named company, hereby appoint:

- (1) Name: \_\_\_\_\_ Address: \_\_\_\_\_  
E-mail id: \_\_\_\_\_ Signature \_\_\_\_\_ or failing him;
- (2) Name: \_\_\_\_\_ Address: \_\_\_\_\_  
E-mail id: \_\_\_\_\_ Signature \_\_\_\_\_ or failing him;
- (3) Name: \_\_\_\_\_ Address: \_\_\_\_\_  
E-mail id: \_\_\_\_\_ Signature \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 88th Annual General Meeting of the members of the Company, to be held on Tuesday, September 26, 2017 at 12.00 noon or soon after the conclusion of the Annual General Meeting of Reliance Capital Limited convened on the same day, whichever is later, at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020 and at any adjournment thereof in respect of such resolutions are indicated below:

Resolution No.	Matter of Resolution	For	Against
1.	To consider and adopt, a) the audited standalone financial statement of the Company for the financial year ended March 31, 2017 and the reports of the Board of Directors and Auditors thereon and b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2017 and the report of the Auditors thereon.		
2.	To declare dividend on equity shares.		
3.	To appoint a Director in place of Shri S Seth (DIN 00004631), who retires by rotation under the provisions of the Companies Act, 2013 and being eligible, offers himself for re-appointment.		
4.	To ratify the appointment of the Auditors		
5.	To appoint Auditors and to fix their remuneration		
6.	To consider and approve Private Placement of Non-Convertible Debentures (NCDs).		
7.	To consider and approve payment of remuneration to Cost Auditors for the financial year ending March 31, 2018.		

Signed this ..... day of ..... 2017.

Signature of Shareholder(s) : \_\_\_\_\_

Signature of Proxy holder(s) : \_\_\_\_\_

Affix  
Revenue  
Stamp

**Note:** This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.





# Let's take a step together towards a greener environment



Dear Shareholders,

At Reliance Infrastructure, we take immense pride in promoting the cause of sustainability and green energy as an integral part of all our businesses and our corporate social responsibility initiatives.

As you are already aware, the more we consume paper, more are the number of trees that are needed to be cut. We therefore request you to join us in preserving the environment for our future generations by reducing the use of paper. One positive step in this direction will be to opt for getting the Annual Reports of the Company by email.

This is a welcome move for the society at large, as this will reduce paper consumption to a great extent and allow shareholders to contribute towards a Greener Environment.

Reliance also strongly supports our honourable Prime Minister – Sh. Narendra Modi's Digital India vision, and is working on many fronts in parallel to enable a seamless digital connect with all our stakeholders - suppliers, bankers, customers, shareholders and employees.

In addition, this initiative aims to open up a more personalized connect with you as we start to integrate our shareholders more into the Reliance family and enable us to offer you better products and services through our Reliance Group Loyalty Program (RGLP).

You can do this by registering your details at [www.RGLP.co.in](http://www.RGLP.co.in) and opting for our e-communication channels.

Whenever any shareholder communication is published, we will send you an e-mail with a link to the information on the Reliance Infrastructure website.

Please note that as a member of the Company you will be entitled to receive all such communication in physical form, upon request.

Thank you for helping Reliance to contribute more to our Green initiatives and making this planet a better place to live!

**Please register your details at [www.RGLP.co.in](http://www.RGLP.co.in) to opt for our e-communication channels**

If undelivered please return to :

**Karvy Computershare Private Limited  
(Unit: Reliance Infrastructure Limited)**

Karvy Selenium Tower – B, Plot No. 31 & 32, Survey No. 116/22, 115/24, 115/25,  
Financial District, Nanakramguda, Hyderabad 500 032.

Tel.: +91 40 6716 1500 Fax : +91 40 6716 1791

Email : [rinfra@karvy.com](mailto:rinfra@karvy.com), Website: [www.karvy.com](http://www.karvy.com)